

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 KShs'000	2022 KShs'000
Revenue	6,571,307	5,735,750
Cost of sales	(4,719,954)	(4,413,979)
Gross profit	1,851,353	1,321,771
Net Other income	171,205	99,053
Operating expenses	(1,666,349)	(1,514,986)
Profit/(loss) before depreciation, impairment, and finance costs	356,209	(94,162)
Impairment losses	(451,038)	(456,037)
Depreciation and amortisation	(276,571)	(333,636)
Operating loss	(371,400)	(883,835)
Exchange losses	(1,491,150)	(436,551)
Interest expenses	(1,340,915)	(1,379,737)
Net finance costs	(2,832,065)	(1,816,288)
Loss before income tax	(3,203,465)	(2,700,123)
Income tax expense	(27,747)	(75,675)
Loss for the year	(3,231,212)	(2,775,798)
Other comprehensive income		
Financial instruments at FVOCI - net change in fair value	(906)	(97,437)
Re-measurement gain on retirement benefit plan	8,483	7,768
Revaluation of property, plant and equipment and prepaid operating lease rental	-	(80,879)
Deferred tax effect	(2,545)	24,999
Exchange differences on translation of foreign subsidiaries	5,032	(145,549)
Total other comprehensive income net of income tax	(1,230,045)	1,814,853
Total other comprehensive income net of income tax	(1,225,013)	1,669,304
Total comprehensive income for the year	(4,456,225)	(1,106,494)
Loss after tax is attributable to:		
Equity holders of the company	(3,076,078)	(2,468,527)
Non-controlling interest (NCI)	(155,134)	(307,271)
Loss for the year	(3,231,212)	(2,775,798)
Total comprehensive income for the year is attributable to:		
Equity holders of the company	(4,418,155)	(918,775)
Non-controlling interest	(38,070)	(187,719)
Total comprehensive income for the year	(4,456,225)	(1,106,494)
Basic and diluted earnings per share - KShs	(2.73)	(6.58)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 KShs'000	2022 KShs'000
ASSETS		
Non-current assets	8,362,917	7,870,412
Current assets	5,004,461	4,636,690
TOTAL ASSETS	13,367,378	12,507,102
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	564,014	187,601
Share premium	2,324,784	1,873,089
Revenue reserves	(17,276,317)	(14,612,220)
Translation reserve	(3,586,560)	(2,115,961)
Fair value reserve	(41,556)	(40,650)
Revaluation reserve	2,622,818	2,502,544
Non-controlling interest	290,367	328,437
Non-current liabilities	3,931,298	5,006,095
Current liabilities	24,538,530	19,378,167
TOTAL EQUITY AND LIABILITIES	13,367,378	12,507,102

CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2023

	2023 KShs'000	2022 KShs'000
Cash used in operations	(174,516)	(485,261)
Income tax paid	(126,905)	(106,042)
Net cash flows used in operating activities	(301,421)	(591,303)
Net cash flows from investing activities	148,024	182,671
Net cash flows from financing activities	361,018	406,386
Net increase in cash and cash equivalents	207,621	(2,246)
Cash and cash equivalents at 1 January	110,205	112,451
Cash and cash equivalents at 31 December	317,826	110,205

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital KShs'000	Share premium KShs'000	Revenue and other reserves KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
Balance at 1 January 2023	187,601	1,873,089	(14,266,287)	328,437	(11,877,160)
Loss for the year	-	-	(3,076,078)	(155,134)	(3,231,212)
Total other comprehensive income	-	-	(1,342,077)	117,064	(1,225,013)
Total transactions with owners of the company	376,413	451,695	402,827	-	1,230,935
Balance at 31 December 2023	564,014	2,324,784	(18,281,615)	290,367	(15,102,450)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital KShs'000	Share premium KShs'000	Revenue and other reserves KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
Balance at 1 January 2022	187,601	1,873,089	(13,347,512)	516,156	(10,770,666)
Loss for the year	-	-	(2,468,527)	(307,271)	(2,775,798)
Total other comprehensive income	-	-	1,549,752	119,552	1,669,304
Balance at 31 December 2022	187,601	1,873,089	(14,266,287)	328,437	(11,877,160)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Overview of FY2023 Performance

TransCentury PLC ("TC" or "Group") is pleased to announce its financial results for the year ended 31st December 2023. The Group recorded sterling revenue growth of 15%, driven by concerted commercial strategies aimed at deepening and tapping into new markets. The Group achieved a Ksh 356 million operating profit before depreciation, impairment and finance costs, a turnaround from a loss position in the previous year. This improvement was driven by improved topline and continued implementation of efficiency programs in operations. However, despite achieving profitability at operations, the overall loss increased by 16%. This was attributed to currency depreciation and significant increases in finance costs linked to weakening of the shilling in 2023 which partially reversed in 2024.

Performance of key Subsidiaries

Tanelec Group: The transformer manufacturing business recorded a remarkable 42% growth in revenue, driven by diversification into new markets, such as DRC and Rwanda, and the introduction of new offerings to meet emerging market demands.

East African Cables: Our Cable manufacturing subsidiary delivered a 5% growth in revenue, supported by a strengthened market drive, remodeled sales strategy and reduction of their cash conversion cycle in addition to launching new products, and the expansion into new market channels.

AEA: The infrastructure solutions provider embarked on significant one stop border post project in Rwanda while continuing with execution of niche projects across the Power, Agriculture, Oil and Gas, Mining, Transport, and Industrial installations sectors in the Eastern and Central African region.

Operational Efficiency

The Group sustained its commitment to strategic diversification and innovation, sustainable cost management and improved operational efficiency, which contributed to an 8% improvement in gross margin and achievement of operating profit despite challenging macroeconomic conditions.

Dividends

The Board does not recommend payment of a dividend for the year.

Resumption of Regular Reporting Cycle

With the release of the FY 2023 financials together with the H1-24 unaudited financials, the Group has resumed its normal reporting cycle with the next reporting cycle due by 30th April 2025. The Group remains committed to keep its shareholders and the entire investing community apprised on the business performance in a timely manner.

Outlook

TransCentury Group delivered growth across various businesses, demonstrating the strength and resilience of its portfolio. The Group will continue to leverage its core business strength to layer on new offerings and capture new market opportunities.

TransCentury is investing ahead and forecasts continued business growth across its focus sectors and markets. The Group will continue to focus on driving topline growth and productivity efficiencies to deliver consistent, sustainable, long-term value.

Debt Management

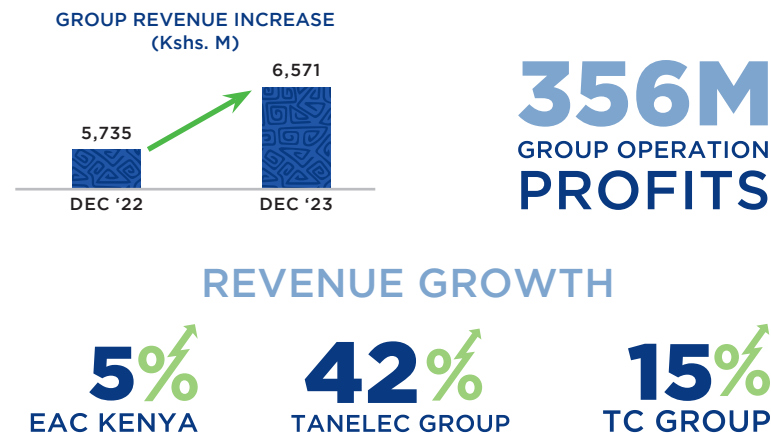
Managing the Group's debt remains a key focus area, by prioritizing settlement and correction of the sub-optimal debt structure. This will further enhance execution of opportunities at hand and creation of long-term value.

Commitment to Stakeholder Value

TransCentury remains dedicated to creating long-term value for its stakeholders. The Group follows a disciplined approach to capital allocation in pursuit of this goal. Investments are consistently evaluated and assessed, with an emphasis on opportunities for further enhancement and identifying strategic growth avenues.

By Order of the Board
Virginia Ndunge
Company Secretary
20 January 2025

2023 GROUP FINANCIAL HIGHLIGHTS



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes are derived from the audited consolidated financial statements of TransCentury Plc for the year ended 31 December 2023. In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

Summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The audited consolidated financial statements and our report thereon.

We expressed an unqualified audit opinion on the audited consolidated financial statements in our report dated 20th January 2025. That report also includes.

- A material uncertainty related to Going concern draws attention to Note 2(f) to the consolidated and separate financial statements, which indicates that during the year ended 31 December 2023, the Group and Company incurred a loss of KShs 3,231 million and KShs 1,932 million respectively and as of that date, the Group's and Company's current liabilities exceeded its current assets by KShs 19,534 million and KShs 8,201 million respectively and the Group's and Company's total liabilities exceeded their total assets by KShs 15,102 million and KShs 4,557 million respectively. In addition, as at 31 December 2023, the Group and Company had outstanding loans of KShs 10,136 million and KShs 4,847 million respectively for which they had breached the loan covenants with the lenders. As stated in Note 2(f), these events or conditions, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.
- The communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary consolidated financial statements.

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with Kenyan Companies Act, 2015 and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2023

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised).

Engagements to Report on Summary Financial Statements the Engagement Partner responsible for the audit resulting in this Report of the independent auditor on the summary consolidated financial statements is CPA Elvis Ogeto- Practicing Certificate No. 2303

For and behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi
20 January 2025