

## ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2021

The Directors of East African Portland Cement PLC are pleased to announce the audited consolidated results for the year ended 30 June 2021

### Condensed consolidated statement of Profit or Loss and Other Comprehensive Income for the year ended:

	June-21 Sh' 000	June-20 Sh' 000
Revenue	2,762,748	2,474,902
Cost of sales	(3,583,282)	(3,300,350)
<b>Gross Loss</b>	<b>(820,534)</b>	<b>(825,448)</b>
Other Operating Income	108,663	198,864
Administration and Selling Expenses	(2,500,495)	(2,501,957)
<b>Loss from Operating Activities</b>	<b>(3,212,366)</b>	<b>(3,128,541)</b>
Interest Income	149	1,456
Finance Costs	(835,694)	(786,304)
Fair Value Gain on Investment Property	5,783,847	1,114,779
<b>Profit/(Loss) Before Tax</b>	<b>1,735,936</b>	<b>(2,798,610)</b>
Tax Credit	151,644	29,263
<b>Profit/(Loss) After Tax</b>	<b>1,887,580</b>	<b>(2,769,347)</b>
Other Comprehensive income	371,404	2,509
<b>Total Comprehensive Income/(Loss)</b>	<b>2,258,984</b>	<b>(2,766,838)</b>
Earnings/(Loss) Per Share	20.97	(30.77)

### Condensed Consolidated Statement of Financial Position as at:

	June-21 Sh' 000	June-20 Sh' 000
<b>Assets</b>		
Non-Current Assets	32,197,669	32,762,649
Current Assets	2,443,441	2,414,244
<b>Total Assets</b>	<b>34,641,110</b>	<b>35,176,893</b>
<b>Equity and Liabilities</b>		
Share Capital	1,098,000	1,098,000
Other Reserves	19,914,124	17,655,140
<b>Totals Equity</b>	<b>21,012,124</b>	<b>18,753,140</b>
Non Current Liabilities	447,786	179,985
Current Liabilities	13,181,200	16,243,768
<b>Total Liabilities</b>	<b>13,628,986</b>	<b>16,423,753</b>
<b>Total Equity and Liabilities</b>	<b>34,641,110</b>	<b>35,176,893</b>

### Condensed Consolidated Statement of Cash Flows for the year ended:

	June-21 Sh' 000	June-20 Sh' 000
Cash Flow used in Operations	(1,858,212)	(1,495,734)
Net Interest Paid	(361,763)	(20,269)
Post Employment Benefits Paid	-	(487,034)
Interest Received	149	1,456
Taxation Paid	(1,699)	(322)
<b>Net Cash Used in Operating Activities</b>	<b>(2,221,525)</b>	<b>(2,001,903)</b>
<b>Net Cash Generated from Investing Activities</b>	<b>6,503,438</b>	<b>2,001,384</b>
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>(4,331,815)</b>	<b>1,215,205</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalent</b>	<b>(49,902)</b>	<b>1,214,686</b>
Cash and Cash Equivalents as at 1st July	81,524	(1,133,162)
<b>Cash and Cash Equivalents as at 30th June</b>	<b>31,622</b>	<b>81,524</b>

### Condensed Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021

	Share Capital Shs' 000	Share premium Shs' 000	Asset Revaluation Reserves Shs' 000	Retained Earnings Shs' 000	Other Reserves Shs' 000	Total Shs' 000
At Start of Year	450,000	648,000	1,360,599	19,046,105	15,274	21,519,978
Net Transfer of excess depreciation	-	-	(238,996)	238,996	-	-
Deferred Tax on Excess Depreciation	-	-	59,749	(59,749)	-	-
Loss for the year	-	-	-	(2,769,347)	-	(2,769,347)
Other Comprehensive Income	-	-	-	(18,686)	21,195	2,509
<b>Total Comprehensive loss for the year</b>	-	-	-	(2,788,033)	21,195	(2,766,838)
<b>As at 30 June 2020</b>	<b>450,000</b>	<b>648,000</b>	<b>1,181,352</b>	<b>16,437,319</b>	<b>36,469</b>	<b>18,753,140</b>
<b>As at 1st July 2020</b>	<b>450,000</b>	<b>648,000</b>	<b>1,181,352</b>	<b>16,437,319</b>	<b>36,469</b>	<b>18,753,140</b>
Profit for the year	-	-	-	1,887,580	-	1,887,580
Other Comprehensive Income	-	-	264,274	106,471	659	371,404
<b>Total Comprehensive Income for the year</b>	-	-	264,274	1,994,051	659	2,258,984
<b>As at 30 June 2021</b>	<b>450,000</b>	<b>648,000</b>	<b>1,445,626</b>	<b>18,431,370</b>	<b>37,128</b>	<b>21,012,124</b>

### PERFORMANCE

The reporting period was marked with resilience and Revenue for the year increased by KES 288M in the face of declining retail prices. The gross loss position improved marginally to KES 821M in the year (KES 825M in 2020) with much of the gains from reduction in factory staff cost being offset by deterioration in plant integrity.

While there was a marginal reduction in Administration and selling expenses, the Loss from Operations plateaued at KES 3.2B. The gains actualized by the Company from its cost containment programs, were eroded by provisions, litigation and loss on transfer of land to liquidate loans totaling to KES 1.3B. Further, the Company's working capital condition improved by KES 3B following partial liquidation of the corporate loan facility.

### FUTURE OUTLOOK

Restoration of the plant's capacity remains the key focus of the Company. This will afford the business to properly mine from its brand equity, by consistently availing product in the market. In addition, the Company will leverage on its ownership structure and undertake market regeneration programs to actualize the potentials that will be unlocked by the plant refurbishment. The improved plant utilization coupled with the cost rationalization programs are expected to return the business to sound financial position.

### DIVIDEND

The Directors do not recommend payment of dividend.

### BY ORDER OF THE BOARD