
JOINT ANNOUNCEMENT

COMPLETION OF DEBT RESTRUCTURE TRANSACTION

East African Cables PLC (the "Company") and its parent company, TransCentury PLC (the "Group" or "Business") are pleased to announce the completion of a debt restructure transaction that was earlier announced via a joint cautionary announcement on 26th of April 2019. The transaction that has a material impact on the capital structure of the Company, has resulted in:

1. Reduction of debt by Ksh 1.65b representing 44% of total debt.
2. Extension of remaining debt tenure to ten (10) years.
3. 2 years moratorium on principal repayment and 6 months on interest payments.
4. Over 80% reduction of debt service cash requirement in the next 2 years.

The transaction involves refinancing of company debt which is a critical step towards;

- Reducing non-working capital related debt.
- Reducing short term debt service cash outflow that was eroding working capital.
- Strengthening the business case to allow for funding to go towards production (vis a vis debt settlement) and subsequently unlocking the value in order-book.
- Ensuring the business is sustainable and self-financing going forward.
- Increasing debt tenure to match cash flow, allowing the business to rump up production.

This transaction is a significant milestone towards the earlier communicated Company's turnaround plan which includes; strengthening the balance sheet, operational improvement and putting in place the right funding structure for growth and profitability. This will allow the business to realize the pent-up value in the current contracted order book that is in excess of Kshs. 5.2b and effectively service the even bigger non contracted retail market order book, where East African Cables is a household name. In addition, the completion of this transaction comes at a good time when there is increased focus from Government on the growth of local manufacturing, through the creation of enabling policies.

At the Group level the transaction is a key step towards achieving TransCentury's objectives under the Ahidi 5-year strategy and in line with the earlier communicated Group's 4-step turnaround plan that involves;

1. Delivering a robust order-book.
2. Debt re-profiling to match debt service to cash flows.
3. Mobilizing additional capital.
4. Execution of order-book.

The completion of this transaction is testament of the commitment that the Board and Management have in ensuring the Business goes back to growth and profitability. In addition, this further demonstrates the confidence that our key stakeholders continue to have in the Company.

On Behalf of the Company's and Group's Board of Directors.

Virginia Ndunge,
Company Secretary
20th July 2019