

June 8, 2020

PRESS STATEMENT

Centum Investment Plc Successfully Retires Debt

We are pleased to announce that we have today June 8th 2020, repaid Kshs 6.6 Billion which was the full amount outstanding on our five year corporate public bond (inclusive of accrued interest and a variable return to holders of the Equity Linked Note component). With this repayment Centum Investment PLC (Centum) has fully retired all its medium and long term debt having repaid USD 75 Million (Kshs 7.8 Billion) of US Dollar denominated debt in September 2019.

The strengthening of the capital structure of Centum through the repayment of its debt and the enhancement of liquidity is one of the five core pillars of Centum 4.0 Strategy. I am pleased that 14 months into the Centum 4.0 strategy period and despite the difficult economic environment which has been exacerbated by the economic shocks arising from the Covid - 19 pandemic, we have delivered on this critical strategic objective. We have in the same period significantly enhanced liquidity which is the second aspect of this strategic pillar by Kshs 6.7 Billion.

The rationale of the strategic pillar of balance sheet strengthening and liquidity enhancement was to:

- i. build balance sheet resilience;
- ii. release more than Kshs 1.8 Billion that the company was spending annually in debt interest costs, to re-investment and future dividend enhancement;
- iii. place the company in a good position to take advantage of emerging opportunities especially in private equity and marketable securities business lines.

The global economic crisis arising out of the Covid -19 pandemic has validated the appropriateness, importance, and relevance of focusing on balance sheet resilience and having a strong liquidity position. As we enter the economic recovery cycle Centum's strong liquidity and balance sheet position has put it in a strong position to take advantage of investment opportunities that will emerge given the significant corrections that have taken place on valuations of even very strong companies, the growing need by companies to shore up their equity capital positions and the general capital flight from frontier and emerging markets to developed markets.

For more details on the Company Centum 4.0 strategy please read the 2019 Chief Executive Officer Annual letter to Shareholders on www.centum.co.ke



Dr. James Mworia

Group Chief Executive Officer and Managing Director

