

COMMENTARY ON RESULTS

The twelve-month period from 1 January 2024 to 31 December 2024 was challenging. The Kenyan market remained constrained and, specifically, the boda boda business continued to decline to a monthly average of 4600 units from a peak of 20,000 units per month in 2022. This inevitably had a significant impact on our Kenya consumer business and our Watu Kenya boda financing business. Fortunately, we had commenced the transition to other business lines and entities which allowed operational sustainability.

The Group reported a 23% decrease in turnover compared to the prior year 15-month financial year. Sales in Uganda and Tanzania now represent over 58 % of Group sales. Given the drop in boda boda sales, our Kenyan consumer business remained under strain. We compensated with the growth in Cummins and Tanzania.

As a result of the above, turnover for the twelve-month period ended 31 December 2024 was Shs 21 billion against Shs 27 billion achieved in the fifteen-month period ending 31 December 2023. EBITDA (Earnings before interest, tax, depreciation and amortization) was Ksh 1.5 billion compared Ksh 2.1 billion in prior year. The Group made a profit after tax of Ksh 526 million against a loss after tax of Ksh 273 million made during previous financial year primarily due to favourable foreign exchange rates.

In spite of many challenges, there are notable achievements.

- Our consumer business growth in Tanzania particularly in the two and three-wheeler segments.
- The performance of our Cummins business.
- The return to profitability of our Kibo business.
- The progress of Watu Simu which is a significant new product line for Watu.
- The working capital rationalization in Kenya,
- Our commitment to the transition to greener energy is taking shape and through our associates, we have successfully launched electric 2 wheelers in Uganda and Kenya and have built over 200 battery swap facilities.

Going forward, we believe uncertainty will persist in 2025 given the challenging global geopolitics. We do, however, expect less turbulence in East Africa. Key to success will be maintaining strict fundamentals in terms of higher efficiency levels in all areas of our business, maintaining market share in core products and achieving satisfactory profitability across all businesses. We have made all necessary manpower and infrastructure investments, and we now need to

improve efficiencies and increase margin to ensure profitability given the uncertain operating environment.

We now have a more balanced business with five distinct business lines being automotive and equipment distribution, real estate investment, financial services, poultry and now helmet manufacturing. This diversity coupled with a broader geographical reach builds sustainability, and we are confident that each line offers scope for growth.

Going forward, we are well positioned to deliver on our Triple P bottom line – People, Planet and Profit. We are already having a significant impact on millions of lives in terms of delivering daily livelihoods and entrepreneurship opportunities. We will now continue to focus energy on electric and Compressed Natural Gas (CNG) vehicles in Tanzania. With our symbiotic relationship with Watu, we can play a significant role in transforming the 2-wheeler and 3-wheeler market towards electric and compressed natural gas. This will play a positive role in reducing our carbon footprint over the coming years. We will also continue to drive smart-phone connectivity across the continent. This significantly improves livelihoods..

The current financial year will be critical to future success and will require a growth in market share in all sectors. Our primary concern is to ensure that we stay ahead of competition in our key markets in all respects. The quality of competition is increasing.

Dividend

Given the performance during the financial period and the need for investment throughout the business, the Directors do recommend a first and final dividend of Shs. 64,165,293 which is equal to Shs. 0.80 per share (2023: Shs. Nil) - payable to those registered at the close of business on Thursday, 29 May 2025. Subject to approval by the shareholders, the dividend is to be paid on or about 19th June 2025.

Closure of Register

Notice is hereby given that the Register of Members will be closed on Thursday, 29 May 2025 or the purposes of preparation of a dividend list.

Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held in a hybrid format at the Company's Registered Office, New Cargen House, Lusaka/Dunga Road, Industrial Area, Nairobi, via electronic means on 19th June 2025 at 10.00 a.m.

By Order of the Board

Conrad Nyukuri
Company Secretary

28 April 2025

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Car & General (Kenya) PLC

Opinion

The summary consolidated financial statements which comprise the summary consolidated statement of financial position as at 31 December 2024 and the summary consolidated statement of profit or loss and other comprehensive income, the summary consolidated statement of changes in equity and the summary consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of Car & General (Kenya) PLC for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Car & General (Kenya) PLC, in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ("the Regulations") as applicable to summary financial statements.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Car & General (Kenya) PLC and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 April 2025. That report also includes the communication of a key audit matter related to valuation of investment properties. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current year.

Directors' Responsibilities for the Summary Consolidated Financial Statements

The Directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 Requirements as applicable to summary financial statements.

Auditor's 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 independent auditor's report is FCPA Fred Alo, Practising certificate No. 1537.

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

28 April 2025

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 Sh '000 (12 Months)	2023 Sh '000 (15 Months)
Revenue	20,944,744	27,240,669
Gross profit	3,210,046	4,060,374
Other income	227,297	202,633
Gain in fair value of investment properties	71,304	2,980
Impairment provision for Financial Assets	(5,489)	6,950
Operating expenses	(2,610,942)	(3,264,306)
Share of profit in an associate	219,769	526,876
Profit before finance costs and taxation	1,111,985	1,535,507
Finance costs	(393,799)	(2,202,810)
Finance income	35,795	20,763
Net foreign exchange gains/(losses)	27,308	297,919
Profit/(loss) before taxation	781,289	(348,621)
Taxation (charge)/credit	(255,242)	74,928
Profit/(loss) for the year/period	526,047	(273,693)
Other comprehensive (loss)/ income for the year/period	(443,472)	465,046
Total comprehensive income for the year/period	82,575	191,353
Earnings per share - basic and diluted	Sh 6.46	Sh (3.33)
Earnings before interest,taxes, depreciation & Amortization (EBITDA)	1,513,068	2,175,150

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	2024 Sh '000	2023 Sh '000
ASSETS		
Non-current assets		
Investment properties	3,049,734	3,080,743
Property, plant and equipment	3,143,103	3,226,735
Right of Use Asset	431,138	515,423
Other non-current assets	1,905,944	1,733,250
	8,529,919	8,556,151
Working Capital		
Current assets	10,447,092	12,682,255
Current liabilities	(10,805,702)	(12,538,292)
Total assets less current liabilities	8,171,309	8,700,114
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	401,033	401,033
Reserves and retained earnings	5,147,224	5,072,405
Non-controlling interests	265,880	258,124
Total equity	5,814,137	5,731,562
Non-current liabilities		
Deferred tax liabilities	1,081,677	923,168
Due to related parties	166,808	166,808
Lease liabilities	369,077	431,208
Borrowings	739,610	1,447,368
	2,357,172	2,968,552
Total equity and non current liabilities	8,171,309	8,700,114

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital Shs'000	Reserves and retained earnings Shs'000	Non-controlling interests Shs'000	Total Shs'000
Year ended 31 December 2023				
At 1 October 2022	401,033	4,938,809	264,532	5,604,374
Bonus shares issue	-	-	-	-
Loss for the year	-	(267,285)	(6,408)	(273,693)
Other comprehensive income	-	465,046	-	465,046
Dividend paid - 2022	-	(64,165)	-	(64,165)
	401,033	5,072,405	258,124	5,731,562
At 31 December 2023	401,033	5,072,405	258,124	5,731,562
Year ended 31 December 2024				
At 1 January 2024	401,033	5,072,405	258,124	5,731,562
Bonus shares issue	-	-	-	-
Profit for the year	-	518,291	7,756	526,047
Other comprehensive income	-	(443,472)	-	(443,472)
Dividend paid - 2023	-	-	-	-
	401,033	5,147,224	265,880	5,814,137
At 31 December 2024	401,033	5,147,224	265,880	5,814,137

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 Sh '000	2023 Sh '000
Profit/(loss) before taxation	781,289	(348,621)
Net cash generated from operating activities	1,410,276	537,146
Net cash used in investing activities	(427,961)	(451,475)
Net cash (used in)/generated from financing activities	(1,118,984)	115,995
Net (decrease)/increase in cash and cash equivalents	(136,669)	201,666
Cash and cash equivalents at the beginning of the year	282,777	57,574
Effects of exchange rate changes on the balance of cash held in foreign operations	(52,384)	23,537
Cash and cash equivalents at the end of the year/period	93,724	282,777

Basis of Preparation

The summary consolidated financial statements for the 15 month period ended 31 December 2024 have been prepared as per the requirements of the Capital Markets (Securities) (Public Offers, Listings, and Disclosures) Regulations 2002 ("the Regulations") as applicable to summary financial statements. The summarised financial statements are not a substitute for reading the full set of financial statements available on the Company website.

