

**UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2024**

**CHAIRMAN'S STATEMENT**

Dear Shareholders,

We present the unaudited quarterly results of Tanga Cement Public Limited Company and its subsidiary for the quarter ended 30<sup>th</sup> June 2024. In overall, during the first half of the year, the industry was impacted by adverse weather condition as well as the delays from government funded infrastructure projects.

During this period, April – June 2024, Company's revenue declined by 10% compared to the same period in 2023. Operational costs declined by 24% and operating profit increased by 53% compared to April – June 2023. This achievement is attributed to several initiatives taken by the management to improve operational efficiencies and costs reduction.

Loss before tax increased from TZS 2.576 million to TZS 9.923 million mainly due to the impact from the interest expense on borrowing and foreign exchange losses due to the translation of the facility dominated in foreign currency.

Net cash flows from financing activities increased significantly due to additional short-term working capital needs, which were necessary to meet increased working capital requirements. This increase in working capital requirements coupled with decline in revenue led to a net cash outflow from operating activities.

The management is optimistic on the positive market outlook in the second half of the year. Market conditions are expected to improve and infrastructure projects to pick-up during the second half of the year.

**Appreciation**

Tanga Cement is grateful to its staff and customers as it strives to achieve its growth strategy. With Tanzania's significant role in the East African construction market, cement output is expected to increase, positioning Tanga Cement to capitalize on regional market growth opportunities. We affirm our commitment to stakeholders through our high-quality cement and clinker and our contribution to Tanzania's sustainable growth.

For and on behalf of the Board.



**Hakan Gurdal**  
Chairman of the Board



**Christian Mikli**  
Board Member



**Quresh Ganijee**  
Company Secretary

**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2024**

	<b>Group</b>		<b>Company</b>	
	<b>Jun-24</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Jun-23</b>
	<b>TZS' 000'</b>	<b>TZS' 000'</b>	<b>TZS' 000'</b>	<b>TZS' 000'</b>
Revenue from contracts with customers	49,358,948	55,030,505	49,358,948	55,030,505
Cost of sales	(31,442,314)	(40,950,893)	(31,456,479)	(40,950,892)
<b>Gross profit</b>	<b>17,916,634</b>	<b>14,079,612</b>	<b>17,902,469</b>	<b>14,079,613</b>
Other income	36,753	49,965	32,698	47,863
Other expenses	(138,517)	-	(138,517)	-
Selling expenses	(525,217)	(843,964)	(525,217)	(843,964)
Administration expenses	(5,948,553)	(4,214,232)	(5,920,285)	(4,389,324)
Depreciation charge	(4,974,138)	(4,852,768)	(4,961,654)	(4,870,088)
Impairment and other charges	-	10,224	-	10,224
Decrease/ (increase) in expected credit losses	(243,661)	224,779	(243,661)	(26,101)
<b>Operating profit</b>	<b>6,123,301</b>	<b>4,453,616</b>	<b>6,145,833</b>	<b>4,008,223</b>
Interest expense	(9,002,080)	(6,341,771)	(9,002,080)	(6,344,028)
Finance income	-	10,774	-	10,774
Foreign exchange and fair value losses	(7,066,197)	(242,244)	(7,067,267)	(251,409)
<b>Loss before tax</b>	<b>(9,944,976)</b>	<b>(2,119,625)</b>	<b>(9,923,514)</b>	<b>(2,576,440)</b>
Income tax (charge)/credit	(293,888)	(294,820)	(293,888)	(294,820)
<b>Loss for the period</b>	<b>(10,238,864)</b>	<b>(2,414,445)</b>	<b>(10,217,402)</b>	<b>(2,871,260)</b>

**TANGA CEMENT PUBLIC LIMITED COMPANY**

**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Group		Company	
	Jun-24 TZS' 000'	Jun-23 TZS' 000'	Jun-24 TZS' 000'	Jun-23 TZS' 000'
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	268,460,078	281,560,529	268,457,846	280,828,827
Right-of-use assets	248,844	4,618,068	248,844	4,616,876
Investment property	987,848	503,664	-	-
Investment in subsidiary	-	-	420,995	420,995
Financial asset - Interest rate cap	-	7,864,730	-	7,864,730
	<b>269,696,770</b>	<b>294,546,991</b>	<b>269,127,685</b>	<b>293,731,428</b>
<b>Current assets</b>				
Due from employees' share trust	-	-	1,490,682	773,467
Inventories	68,616,138	87,781,303	68,616,138	87,781,303
Trade and other receivables	11,033,017	4,973,101	11,044,615	5,151,031
Current income tax recoverable	10,588,817	8,689,931	10,052,631	8,186,454
Cash and bank balances	16,706,521	8,532,201	16,571,158	8,453,994
	<b>106,944,493</b>	<b>109,976,536</b>	<b>107,775,224</b>	<b>110,346,249</b>
<b>TOTAL ASSETS</b>	<b>376,641,263</b>	<b>404,523,527</b>	<b>376,902,909</b>	<b>404,077,677</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Issued capital	1,273,421	1,273,421	1,273,421	1,273,421
Treasury shares	(1,490,682)	(773,466)	-	-
Retained earnings	(1,334,578)	105,739,874	(2,274,827)	104,046,042
<b>Equity attributable to owners of the parent</b>	<b>(1,551,839)</b>	<b>106,239,829</b>	<b>(1,001,406)</b>	<b>105,319,463</b>
<b>Total equity</b>	<b>(1,551,839)</b>	<b>106,239,829</b>	<b>(1,001,406)</b>	<b>105,319,463</b>
<b>Non-current liabilities</b>				
Lease liabilities	273,907	4,508,395	273,907	4,412,199
Provision for site restoration	30,325	30,014	30,325	30,014
Term borrowings: Non-current portion	258,018,093	221,398,551	258,018,093	221,398,551
Deferred tax liability	950,783	950,784	950,783	950,784
	<b>259,273,108</b>	<b>226,887,744</b>	<b>259,273,108</b>	<b>226,791,548</b>
<b>Current liabilities</b>				
Lease liabilities	36,393	673,668	36,393	659,294
Trade and other payables	46,242,512	43,084,354	45,953,725	43,308,995
Contract liabilities	8,387,524	8,636,370	8,387,524	8,996,815
Short-term borrowings	45,512,096	-	45,512,096	-
Bank overdrafts	18,741,469	19,001,562	18,741,469	19,001,562
	<b>118,919,994</b>	<b>71,395,954</b>	<b>118,631,207</b>	<b>71,966,666</b>
<b>Total liabilities</b>	<b>378,193,102</b>	<b>298,283,698</b>	<b>377,904,315</b>	<b>298,758,214</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>376,641,263</b>	<b>404,523,527</b>	<b>376,902,909</b>	<b>404,077,677</b>

**TANGA CEMENT PUBLIC LIMITED COMPANY**

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2024**

	Group		Company	
	Jun-24 TZS' 000'	Jun-23 TZS' 000'	Jun-24 TZS' 000'	Jun-23 TZS' 000'
<b>OPERATING ACTIVITIES</b>				
Cash generated from operating activities	(2,611,697)	8,966,256	(2,678,204)	9,173,553
Interest income received	-	842,447	-	842,447
Income taxes paid	(2,037,999)	(805,679)	(2,037,999)	(788,637)
<b>Net cash flows (used)/ from operating activities</b>	<b>(4,649,696)</b>	<b>9,003,024</b>	<b>(4,716,203)</b>	<b>9,227,363</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(4,452,006)	(3,356,755)	(4,452,006)	(3,356,755)
<b>Net cash flows used in investing activities</b>	<b>(4,452,006)</b>	<b>(3,356,755)</b>	<b>(4,452,006)</b>	<b>(3,356,755)</b>
<b>FINANCING ACTIVITIES</b>				
Principal repayments - lease liabilities	(176,632)	(155,536)	(176,632)	(155,536)
Interest paid - overdrafts	(1,615,785)	(949,050)	(1,615,785)	(949,050)
Interest paid - term borrowings	(416,024)	-	(416,024)	-
Short-Term Loan proceeds	43,672,061	-	43,672,061	-
<b>Net cash flows from/(used) in financing activities</b>	<b>41,463,620</b>	<b>(1,104,586)</b>	<b>41,463,620</b>	<b>(1,104,586)</b>
<b>Net increase in cash and cash equivalents</b>	<b>32,361,918</b>	<b>4,541,683</b>	<b>32,295,411</b>	<b>4,766,022</b>
Net foreign exchange differences	-	(483,249)	-	(727,476)
Cash and cash equivalents at 1 January	(34,396,866)	(14,527,795)	(34,465,722)	(14,586,114)
<b>Cash and cash equivalents at end of period</b>	<b>(2,034,948)</b>	<b>(10,469,361)</b>	<b>(2,170,311)</b>	<b>(10,547,568)</b>