



CAUTIONARY NOTICE TO MEMBERS

TANGA CEMENT PUBLIC LIMITED COMPANY (DSE: TCPLC)
(INCORPORATED IN THE UNITED REPUBLIC OF TANZANIA) ("TANGA CEMENT PLC")

In accordance with the rule 74(6) of the Dar es Salaam Stock Exchange Rules, companies are required to publish a cautionary notice as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 25% from the financial results for the previous corresponding period.

Accordingly, shareholders are advised that Tanga Cement PLC expects that the Operating Profit before Interest and Tax for the period ended 30 June 2023 to be between 350% and 370% higher than that achieved in the comparative period ended 30 June 2022.

The promising improvements in Operating Profit and EBITDA is however impacted firstly, by an increase in interest expenses stemming from loans and working capital facilities and secondly, the devaluation of the Tanzanian Shillings (TZS) against the US Dollar. These currency fluctuations have exerted pressure on the bottom line. As a result, the Group expects to report a pre-tax loss being an improvement of between 3% and 23% over the figure reported for the same period in 2022.

Tanga Cement Group expects to report the after-tax Loss Per Share for the quarter ended 30 June 2023 to be between TZS 5 per share and TZS 15 per share higher than the Loss Per Share of TZS 31 for the comparative quarter ended 30 June 2022.

The contributing factors to the improvement of Operating Profit and EBITDA were the diligent implementation of cost-cutting strategies in maintenance and operations management, in line with the company's drive for enhanced efficiency. This, coupled with a notable surge in sales volume for both cement and clinker directly contributed to the significant improvement in the performance. Additionally, significant improvements in equipment functionality not only led to improved production volumes but also resulted in a lower cost of production per ton. Collectively, these measures fostered a more streamlined and efficient operational framework, culminating in the improvements in overall performance.

The company expects to publish its unaudited financial results for the quarter ended 30 June 2023 by no later than 31 August 2023.

Shareholders are accordingly advised to exercise caution when trading with the company's securities.

The financial information on which this trading statement is based has not been audited by Tanga Cement PLC's auditors.

On behalf of the Board.

Patrick Rutabanzibwa
Chairman of the Board
25 August 2023