

HY 2023

Investor Briefing & Results Announcement.

For the period ended September 2022.

November 2022.

The logo for CENTUM re is displayed within a dark blue circular graphic. The word "CENTUM" is in a bold, sans-serif font, and "re" is in a smaller, italicized font with a registered trademark symbol, enclosed in a circle.

CENTUM^{re}



Disclaimer.



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This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in the Company.



This presentation also contains certain non-GAAP financial information.



The Group's management believes these measures provide valuable additional information in understanding the performance of the Company's business because they provide measures used by the company to assess performance. Although these measures are important in the management of the business, they should not be viewed as replacements for, but rather as complementary to, the comparable GAAP measures.



Agenda.

BUSINESS REVIEW

HY 23 BUSINESS UPDATE

HY 23 FINANCIAL PERFORMANCE

FY 23 OUTLOOK

Q&A

REAL ESTATE WITH **REAL EXPERIENCE.**



BUSINESS REVIEW

About Centum RE.

REAL ESTATE WITH REAL EXPERIENCE.



About Us.

Centum Real Estate Limited is the region's leading real estate developer, with a focus on master-development of large mixed-use developments.

With a strong demonstrable record of performance.



About Us.

Centum Real Estate Limited is the holding company of four subsidiaries, three domiciled in Kenya and one in Uganda:

- **Vipingo Development Limited ('VDL')**, a 8,045 acre large mixed-use development in Kilifi County
- **Centum Development Kenya Limited ('CDKL')**, our primary homes developer in Kenya, outside of Vipingo, currently developing three projects at Two Rivers and one projects on a third-party site on a JV basis.
- **Pearl Marina Estates Limited ('PMEL')**, a 389-acre large mixed-use development in Entebbe, Uganda
- **Uhuru Heights Limited ('UHL')**, developing a 400-unit mid-market high-rise apartment complex within the Two Rivers Development complex in Nairobi

VDL and PMEL are large mixed-use developments selling both development rights and residential infill developments on their respective land banks.





About Us.

The residential development segment of the business operates a sales-led model.

The Company presells projects prior to ground-breaking, with a significant component of project funding being generated from customer deposits:

- 71% of residential units currently under construction have been sold out
- Total value of units sold KES 15.8 billion
- KES 7.9 Billion has being collected as customer deposits
- The business has a receivable of KES 7.9 million on the sold units

71%
residential units
sold out

7.9
billion KES
customer
deposits

About Us.

a recurrent average of

KES **2**
billion

in annual
distributable cash
returns

We have developed a **platform** that will potentially be generating a recurrent average of KES 2 Billion in annual distributable cash returns from homes sales and a similar amount from development rights sales.

This is demonstrated by the **quantum of total approved pipeline** that is under a phased market validation and the value of locked in development rights sale to date and projected over the next five years.

An Asset Base of
KES 40 Billion



and a low
gearing level, at
**16% debt-
to-equity
ratio**

GCR
Rating: Short Term - **A2**
Long Term - **BBB+**

About Us.

First real estate
company in East Africa
to have a listed bond at
the Nairobi Securities
Exchange - **KES 3billion.**



About Us.

As an issuer of public securities, Centum Real Estate adheres to **high standards of corporate governance**. The Board of Directors of Centum RE includes non-executive directors who are sector experts in their various fields.

The Centum Real Estate management team has **over 30+ years of combined experience in real estate development and project finance in East Africa**, with a long track record of successfully identifying, de-risking, developing and attracting third party equity on projects at significant equity upsides.

The Centum Real Estate logo is a dark blue circle containing the word "CENTUM" in a serif font and "re" in a smaller sans-serif font with a registered trademark symbol.

CENTUM^{re}

The background of the slide features a circular inset showing a construction site with several tower cranes against a clear sky. The cranes are silhouetted against a light, hazy background, suggesting a sunrise or sunset setting.

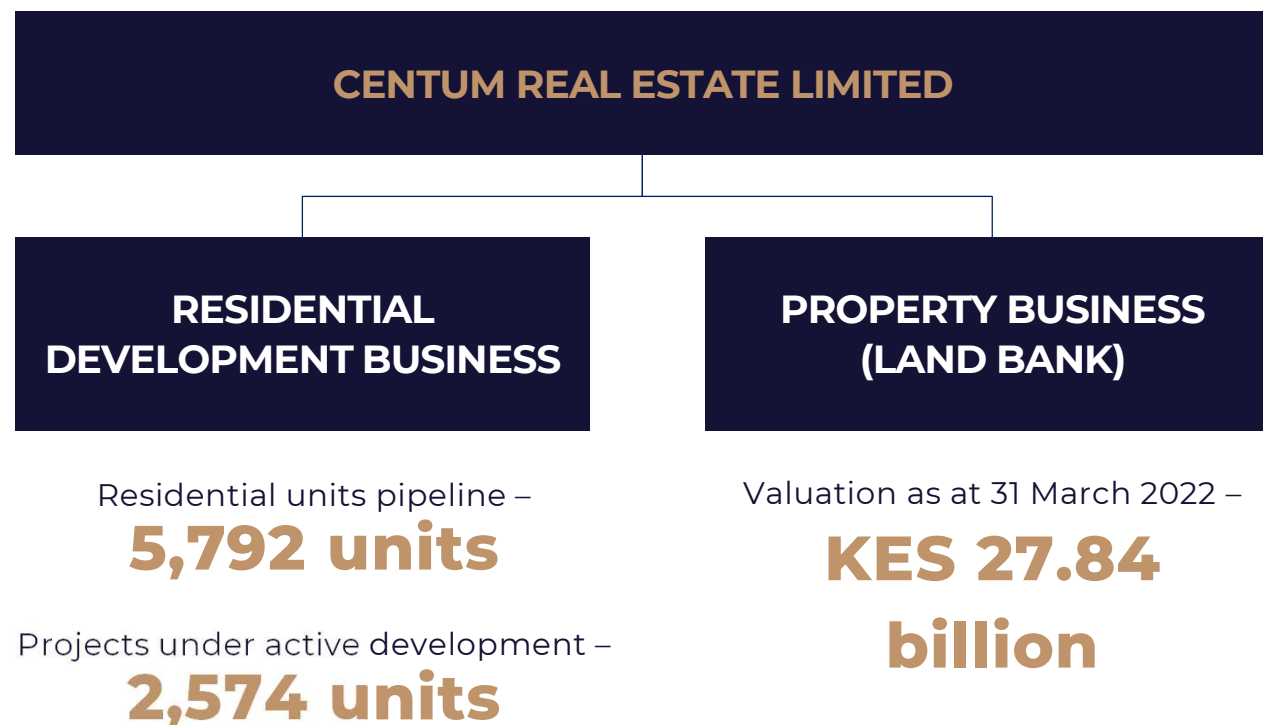


BUSINESS REVIEW

Our Business Model.

REAL ESTATE WITH REAL EXPERIENCE.

Our Business.



Centum Real Estate Limited is **organized as a residential development company** and property business with operations in Kenya and Uganda.

Residential development Completed projects.

Riverbank Apartments

No. of units – 84

Sold units – 62

Residents living in – 38

Average rental rate for furnished unit:
KES150,000 – KES250,000 per month



Residential developments, Projects Under Construction.



LOFTS AT TWO RIVERS

No. of units – 56
Sold units – 49
Phase 1 scheduled for
hand over in **Dec 2022**



CASCADIA AT TWO RIVERS

No. of units – 400
Sold units – 249
Target completion –
Dec 2023



MZIZI AT TWO RIVERS

Phase 1A
No. of units – 301
Sold units – 260
Target completion –
June 2024

*Mzizi is an **affordable** housing project within Two Rivers. We are currently developing it in phases.*



ELMER KASARANI

No. of units – 268
Sold units – 174
Target completion –
Dec 2023

*Elmer is an **affordable** housing project located in Kasarani.*



LA PERLA BUNGALOWS UGANDA

No. of units – 31
Sold units – 30
Target completion –
Jan 2023

*La Perla are **mid-market** bungalows located in Pearl Marina, Uganda..*



BELLA VISTA UGANDA

No. of units – 360
Sold units – 356
Target completion –
Dec 2022

*Bella vista is an **affordable** housing project located in Pearl Marina, Uganda.*



**PROPERTY BUSINESS
(LAND BANK)**

Valuation as at 31 March 2022 –

**KES 27.84
billion**

**Our Business,
Property Business.**



**345
ACRES**

PEARL MARINA ESTATES LIMITED
UGANDA



**8,045
ACRES**

VIPINGO DEVELOPMENT LIMITED
VIPINGO

Our Strategy.

Our real estate strategy seeks to master develop attractive sites across the region and provide commercial impetus for investors to establish city-shifting developments therein.



Our Strategy, From Value Creation To Monetization.



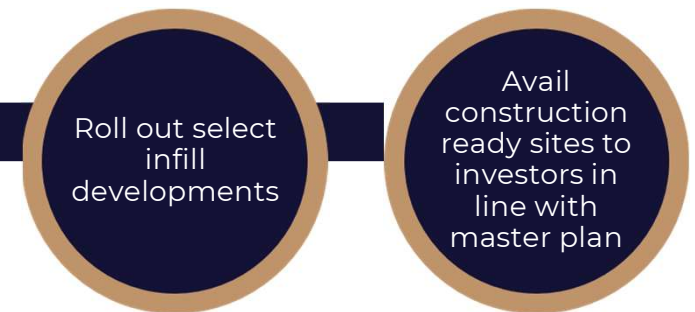
VALUE CREATION STAGE



This is where our **competitive advantage** lies, and these stages often pose significant barriers to entry to competitors:

- Pearl Marina Development: Duration 2013 - 2017
- Vipingo Development: Duration 2016-2019

MONETISATION STAGE

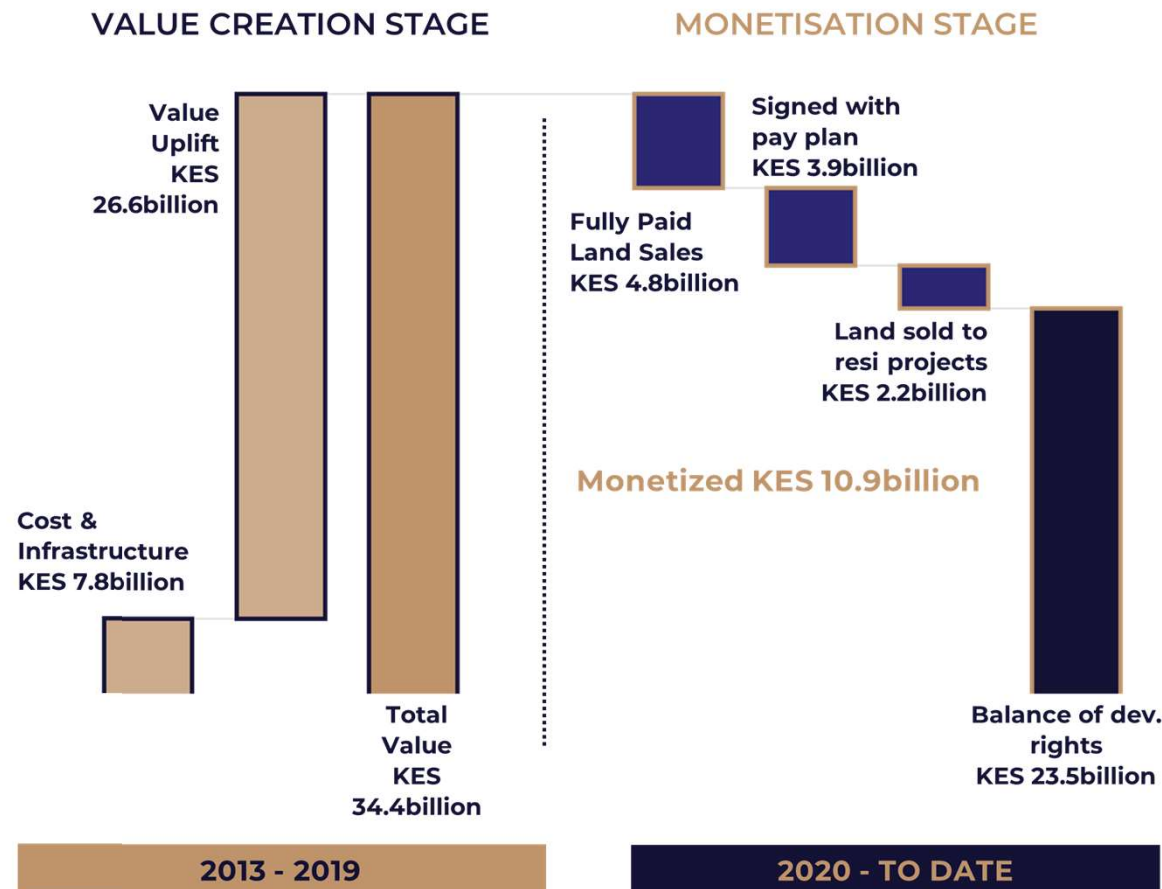


Present focus is on rolling out residential **infill developments** to meet assessed demand.

Based on our experience and market uptake the affordable housing segment presents the most compelling opportunity.

● Completed ● Current

Our Strategy, Our Track Record.



Monetized KES 10.9 billion through two business lines:

- Outright sale of **development rights** to 3rd party investors
- Development of **residential units on own land** – this allows for selling land to the project and generating an incremental developer profit

Our development model is an iterative sales-led development process.

The model aims to have a recurrent development pipeline at each stage-gate at any time to be able to sustain a recurrent KES 2Bn cash return from home sales.

Our Value Creation Strategy, Infill Developments.

Sales Journey (Development Rights and Infill Developments)



Our Value Creation Strategy, Infill Developments.

10% First sale deposit collected during
Market Validation LOO is executed

10% Subsequent sale deposit collected
after execution of AFL

80% Balance of Sales Receivable
collected during construction
(18 - 24 months) and balance of
Inventory sold during construction.



Our development model is an iterative sales-led development process.

The model aims to have a recurrent development pipeline at each stage-gate at any time to be able to sustain a recurrent KES 2Bn cash return from home sales.

Our Value Creation Pillars.

We have developed a portfolio with a potential to generate a recurrent KES 2 billion in annual distributable cash returns from homes sales and development rights sales.



Monetise our landbank through infill projects and **maximise profitability per SQM** of development bulk.



Partner with landowners for development of **affordable housing** on a joint venture basis in **strategic sites** and locations.



Monetise our land bank through sale of **shovel ready** development rights.



- 4,822 approved with our land bank with a cash return potential of KES 6.7 billion
- Phase 1 of 1,453 units under construction and 1,130 sold (78%)
- 624 units completed and 589 units sold (94%)



- One JV agreement for development of 284 units with a cash return potential of KES 76 mn signed
- Full phase of 284 units under construction and 174 units sold (61%)



- Total of 2,105 acres worth of development rights sold over the past 24 months valued at KES 4 billion
- Additional deals of 1,906 acres valued at KES 4.6 billion signed and payments ongoing
- KES 4.8 billion collected to date
- Balance of KES 3.8 billion to be collected in the next 12 - 30 months



BUSINESS REVIEW

Our Funding Model.

REAL ESTATE WITH REAL EXPERIENCE.



Our Funding Model.

A capital light funding model characterized by a low gearing ratio of 16% (debt-to-equity).

All the third party debt is ringfenced and settled from specific cashflows.

Our Funding Model.

Residential Development Business

TOTAL ASSETS
KES 9.6 billion

FUNDED BY BOND
KES 1.7 billion

Property Business Land Bank

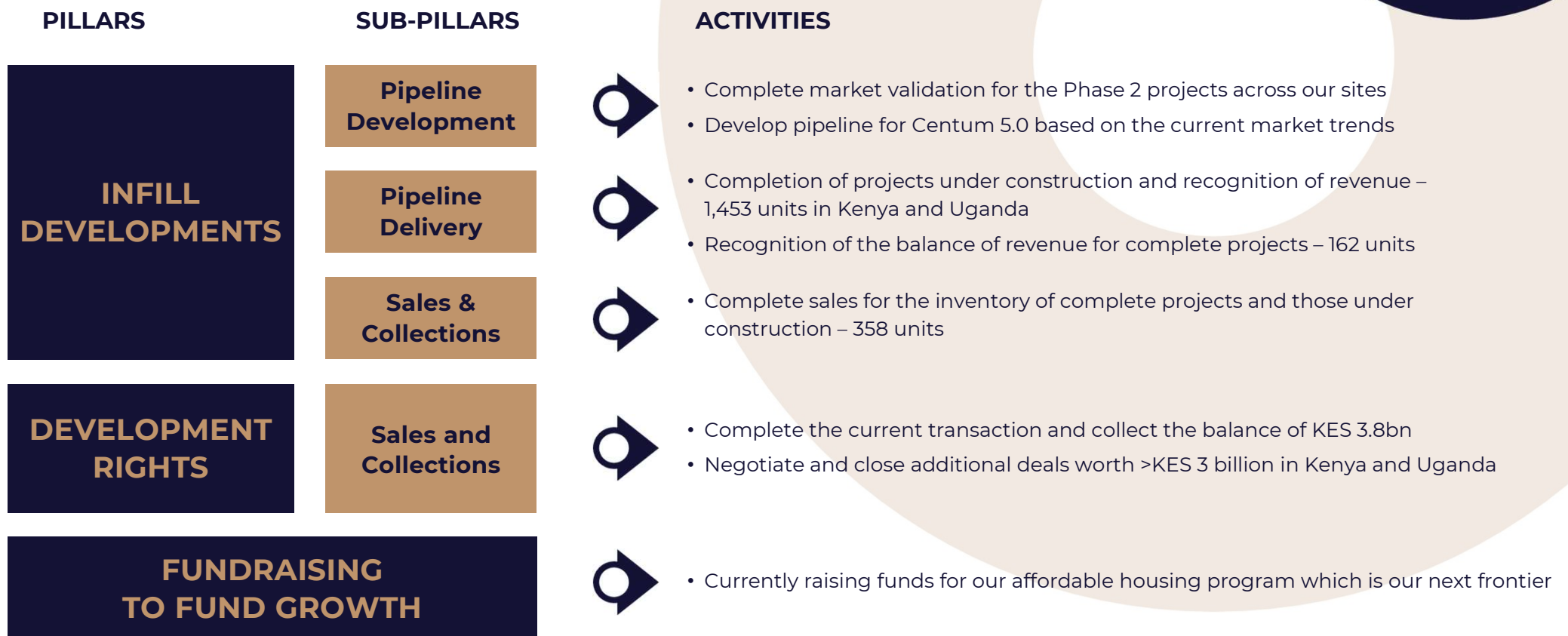
TOTAL ASSETS
KES 30.6 billion

FUNDED BY CORPORATE DEBT
KES 3 billion

SHAREHOLDER LOANS: KES 8.3 billion
EQUITY & RETAINED EARNINGS: KES 16 billion

- The bond was raised in 2020 and is set to mature in 2023. The proceeds of the bond were utilized to fund two projects i.e. Riverbank (now complete) and Loft (under construction);
- The bond will be redeemed through a sinking fund that was created as part of the bond security structure. The sinking fund is currently adequately funded;
- The shareholder loans were the seed capital injected to acquire the land banks in Kenya and Uganda;
- The borrowings of KES 3bn under the property business is the outstanding balance of a USD 45m facility that was drawn in 2020 to facilitate an equity release to the ultimate shareholders i.e. Centum Investments Company Plc;
- We continue to monetize our land banks by selling shovel-ready sites to investors and retail buyers for development as per the approved masterplans;
- The residential projects are at different stages of completion. We are currently validating Phase 2's of the projects.

Centum 4.0, Planned Activities To The End.





BUSINESS REVIEW

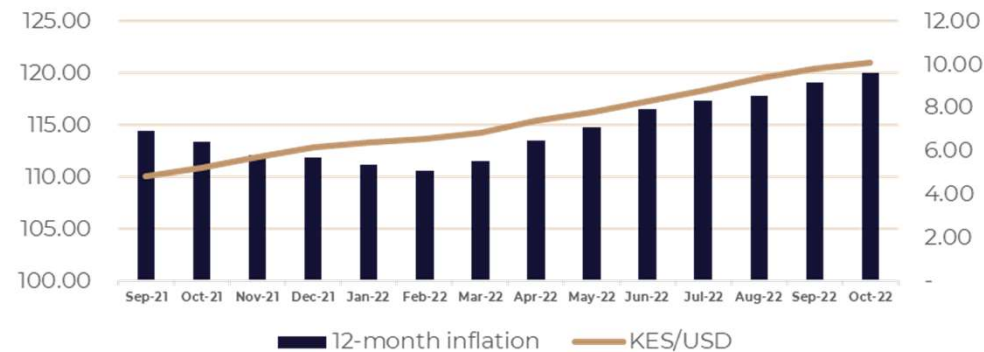
Operating Environment.

REAL ESTATE WITH REAL EXPERIENCE.

Macro-Economic Environment.

- The weakening of the KES against the USD resulting in Fx translation differences in respect to Pearl Marina
- Rising inflation, shrinking consumer wallet impacting both real estate long term performance but also buyer purchasing power
- Slowdown in business activity in an election year
- Diaspora remittances picking up again after elections

Inflation vs. USD/KES Exchange Rate



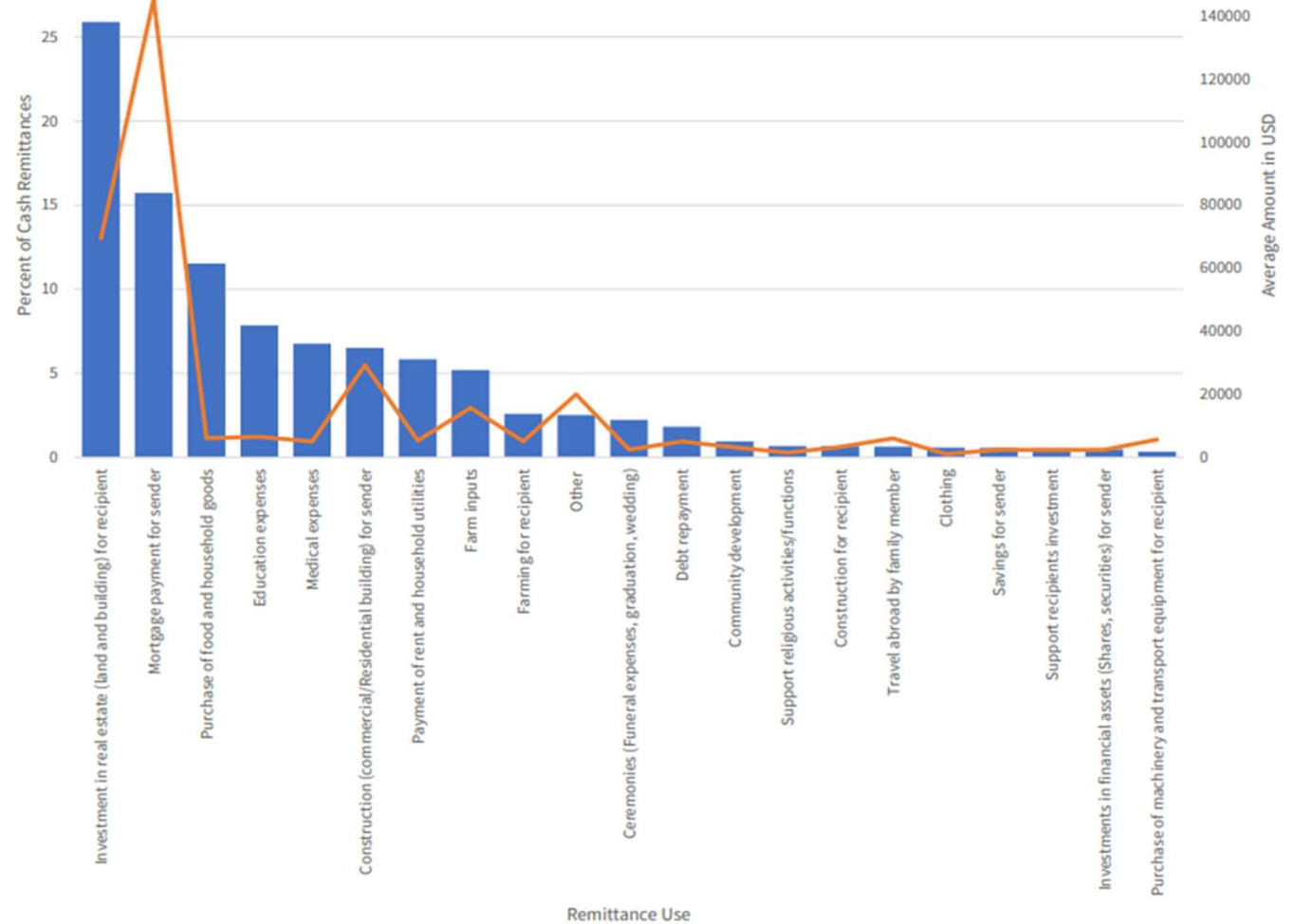
Diaspora Remittances
USD'000



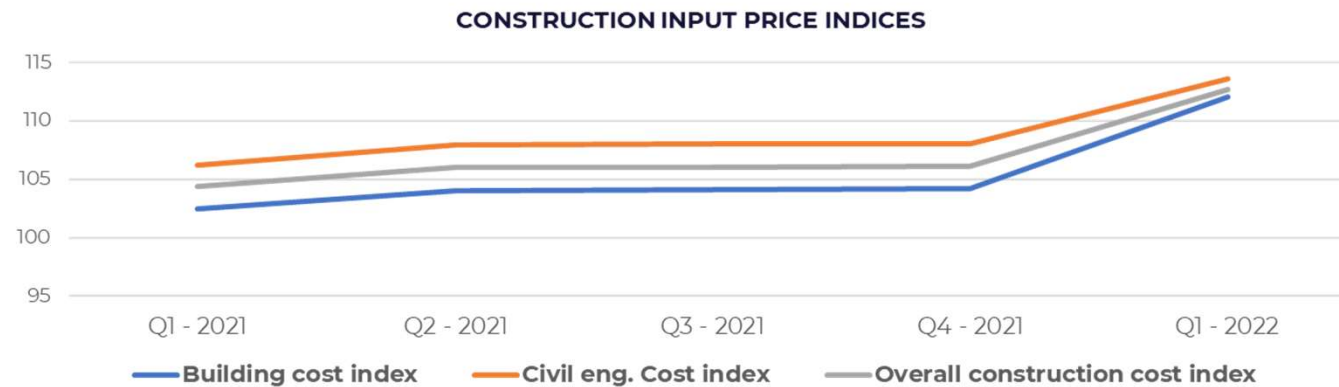
Diaspora Remittances.

- More than 25% of the cash received was used for investment in real estate for the benefit of either the recipient or the sender;
- More than 60% of the remittances are received on a monthly basis;
- As Centum RE we continually strive for a share of this remittances

Macro-Economic Environment.



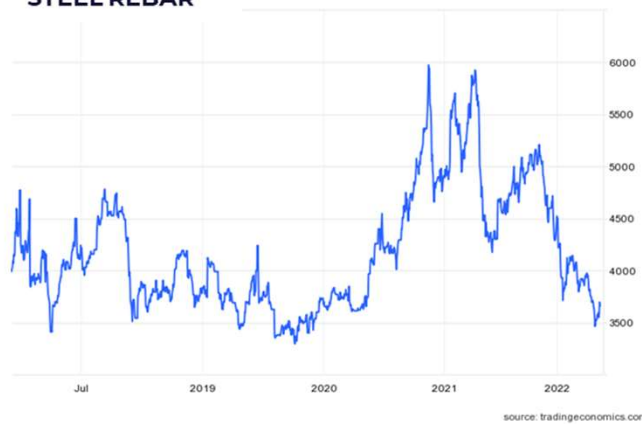
Macro-Economic Environment.



ALUMINUM



STEEL REBAR



Commodity Prices.

- **Steel prices** – prices are falling in the face of declining demand.
- **Aluminum prices** – prices are rising as we recover from the depressed demand during Covid.
- **Cement prices** – Prices started reducing owing to increased supply of clinker.
- **Construction input price index** – The building cost index increased by 7.5% owing to general increase of steel, cement, etc.

The Housing Market in Kenya.

There is a housing deficit in Kenya estimated to be over 2 million units.

According to the World Bank, 244,000 units are required annually to fill this deficit, but the formal market is only able to supply 50,000 units per year. This explains why 61% of urban households still live in slums and informal settlements.

To tackle this challenge, the Affordable Housing Plan launched at the end of 2017 by the Kenyan Government planned on producing 500,000 units by 2022, at a maximum price of USD30,000. However the plan has not yet gained traction at the expected scale and its impact has not been felt on the market to date.

Housing Market



Dynamics

- Over 90% of Nairobi's residents are tenants.
- Kenyans have a strong preference for houses over apartments, although the sales of apartments now represent 70% of total sales (compared to 25% a decade ago)
- The market of apartments is investor-led throughout Nairobi
- In all comparable areas, there is a significant rental market for basic quality, compact apartment blocks that are operating at near full capacity
- Organized communities with units available for sale tend to be more scarce, of better quality and thus more expensive
- The largest concentration of affordable developments for sale can be found in the satellite nodes.
- With the new entrants in the market there is a growing focus on providing investment products
- Developments with tarmacked or paved access fetch premium rental and sales prices

The Housing Opportunity, Supply & Demand.

Housing Market



Projections

- The unmet **housing gap is expected to remain** significantly high within Nairobi and Kenya in the years to come
- It will also remain **concentrated in the underserved affordable and mid-income segments** of the market in the greater Nairobi area
- **Population** increase, **high urbanization rates** and **reduced household sizes** should remain the **key drivers of residential** demand in Nairobi
- **Affordable housing finance is expected to grow** in the medium term with the support of the now operational KMRC that will tap into the mortgage market coupled with the completion of the flagship projects under the Affordable Housing Program that have low price points
- The **attractiveness of satellite towns is expected to remain strong** in the medium-to-long term as land remains available, and accessibility gradually improves
- Large **gated community projects** for sale are expected to be build in phases targeting the entry-level to upper mid-end segments
- **Standards of quality are expected to increase** with an accent placed on services, amenities and accessibility

The Housing Opportunity, Demographics.



18 – 25
18.4%

of Kenyan Urban
Population

- Mostly tenants in small units
- Making an entry to employment
- Live in compact studios or 1-bedroom apartments
- Trading off between living close to their workplace at zero commute cost or in cheaper houses with longer commute times



26 - 30
11.7%

of Kenyan Urban
Population

- Young professionals and still renting under flat-share or living alone
- Live in compact 1-bedroom apartments
- Or in 2-bedroom apartments if not settled as a couple
- Current residence is an upgrade from a bedsitter or studio apartment following increase in their disposable income



31 - 35
9.4%

of Kenyan Urban
Population

- Majority are still tenants but beginning to save for their first home
- Newly married couples and families with young children
- Live in 1-bedroom apartments
- Live in 2-bedroom apartments upon getting their first child
- Having a guest room or servant's quarters are rare



>35
22.1%

of Kenyan Urban
Population

- A few own their current residence, either through purchase, own construction or inheritance
- They also include investor buyers who have purchased compact apartments for rent income
- Usually larger families with teenage and adult children
- They have gotten comfortable with their current residence and are unlikely to move to new premises unless it involves more major relocation needs

+11%

growth in number of households living within mid-income nodes in 2 years

86%

of households are tenants

50%

of households in mid-income nodes able to pay monthly rent of USD 180-430

Number of Households living within mid-income nodes		
Region	Number of Households (2019) – Base Year	Number of Households (2021)
Nairobi North	140,235	155,031
Nairobi West	102,007	112,769
Nairobi East	100,116	110,679
Nairobi Central	28,605	31,623
Nairobi South	93,760	103,652
Total	464,723	513,755

Number of Households Living in Rental Houses			
Region	Number of Households	Average % of Tenants	Total Households renting houses
Nairobi North	155,031	87.6%	135,807
Nairobi West	112,769	66.7%	75,226
Nairobi East	110,679	94.8%	104,924
Nairobi Central	31,623	90.9%	28,745
Nairobi South	103,652	91.0%	94,350
Average		86.2%	
Total	513,755		439,051

Unit Type	Rental Range (KES/Unit)	Rental Range (USD/Unit)	Expected monthly income (USD)	Expected annual income (USD)
Studio	20,000 – 30,000	180 - 260	540 – 780	6,480 – 9,360
One Bedroom	30,000 – 40,000	260 – 350	780 – 1,050	9,360 – 12,600
Two Bedroom	40,000 – 50,000	350 - 430	1,050 – 1,290	12,600 – 15,480

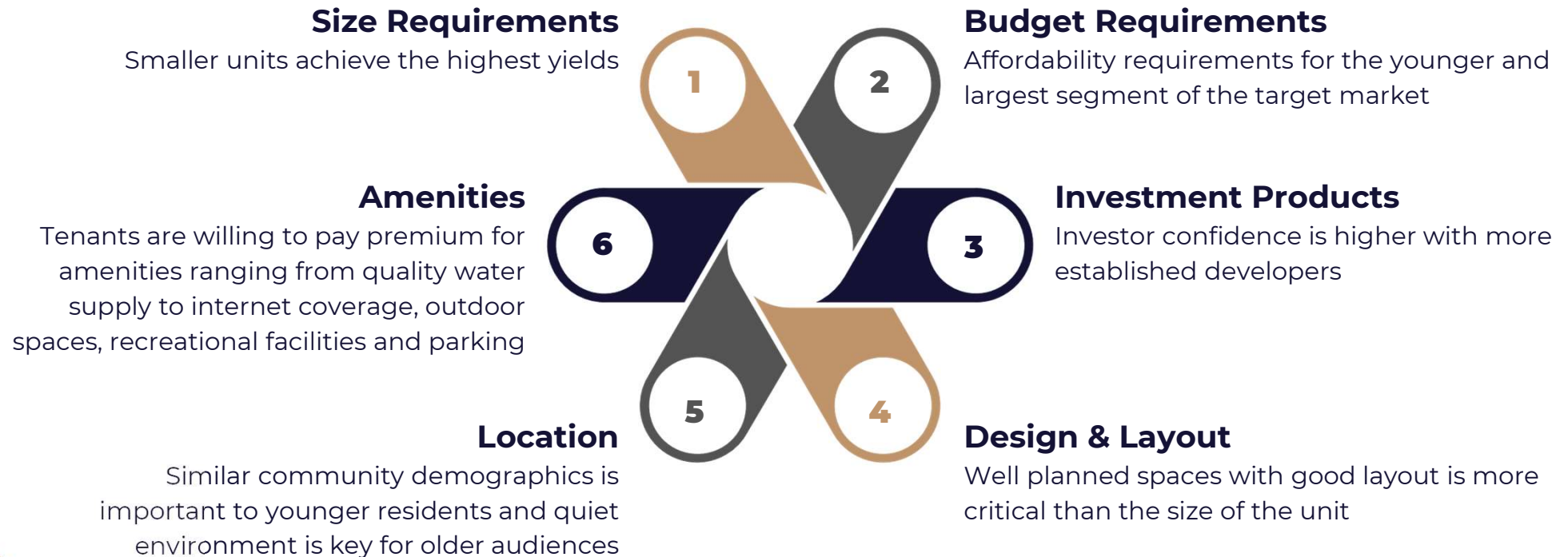
Number of Households in Mid-Income nodes able to pay monthly rent ranging from USD 180 to USD 430			
Region	Total Households living in rental houses	% of Households within relevant income bands	Total Households within relevant income bands
Nairobi North	135,807	49.7%	67,496
Nairobi West	75,226	49.7%	37,387
Nairobi East	104,924	49.7%	52,147
Nairobi Central	28,745	49.7%	14,286
Nairobi South	94,350	49.7%	46,892
Average		49.7%	
Total	439,051		218,209

Source: JLL Research

The Housing Opportunity in Nairobi.

- The average Kenyan living in the highlighted regions as covered by the report pays rents of between USD 250 – 500 and are driving cars with monthly loan instalments of between USD 200 – 350.
- Our Mzizi product targets this underserved market.
- With a customer paying between 40% - 50% of their unit price and financing the balance on mortgage, their monthly instalment will equal the monthly rent at current terms

The Housing Opportunity, Preferred Amenities.





HY23 BUSINESS UPDATE

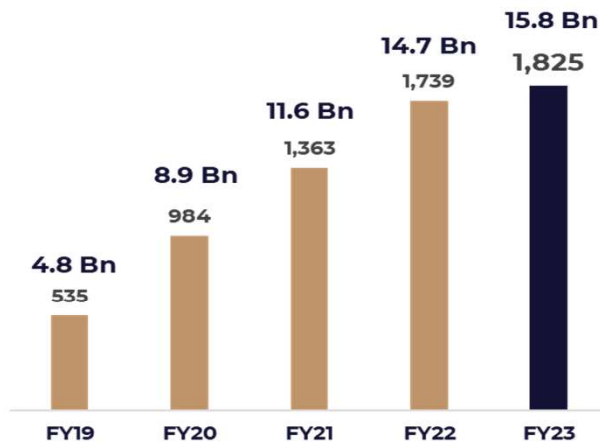
REAL ESTATE WITH REAL EXPERIENCE.

Business Performance Highlights, As of 30 September 2022.

Residential UNIT SALES

KES 15.8 Billion

Value of Units Pre-Sold To Date

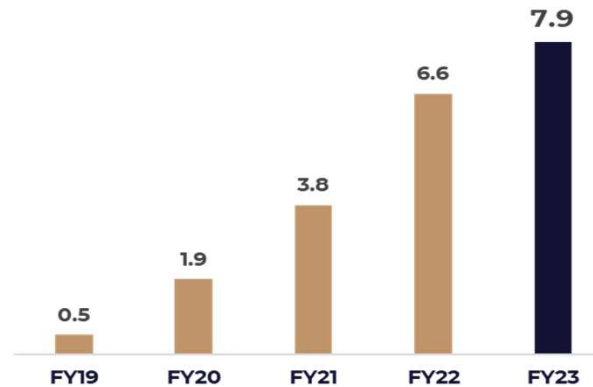


Units Pre-Sold and value of units (in Billion KES)

Residential UNIT DEPOSIT COLLECTIONS

KES 7.9 Billion

Deposits Collected To date
on Pre-sold Units

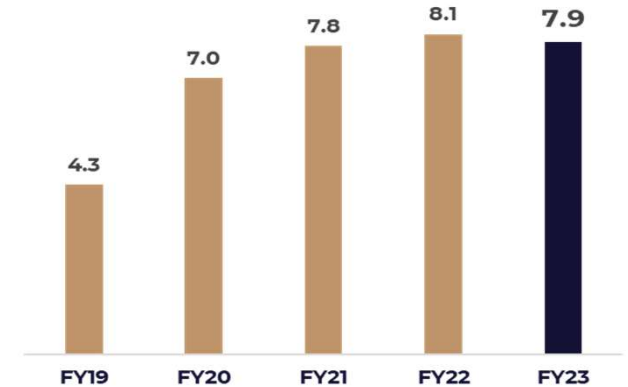


Deposits Collected in Billion KES

Receivable from Signed SALES CONTRACTS

KES 7.9 Billion

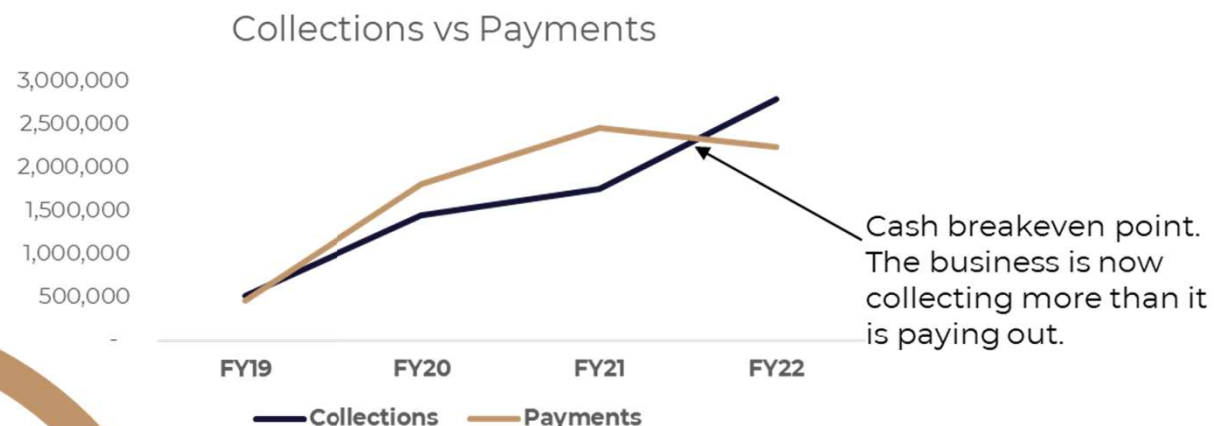
Value of Development
Rights Pipeline



Receivable in Billion KES

Business Performance Highlights, Residential Business.

The residential business has achieved cash breakeven and is on course to generating a total return of KES 4.5 billion over the next 24 to 36 months.



Centum RE has generated Kes 4.5Bn in cash return potential on completed projects and those under development.

Total Units	2,107
Sold Units	1,724
KES'mn	
Value of Sold Units	15,534
Collected	(7,755)
Receivable	7,779
Unsold Units	3,758
Cost to complete	(7,080)
Cash Return	4,457

Business Performance Highlights, Cashflow.



The business is generating cash and its residential business has achieved cash breakeven.

The aim is to create a business that generates KES 2bn annually in free cashflow.

Cash profit	FY19	FY20	FY21	FY22	HY23	Total
Residential:						
Collections	511,342	1,446,148	1,755,826	2,787,538	1,253,696	7,754,550
Payments	(466,358)	(1,810,388)	(2,450,389)	(2,234,504)	(767,439)	(7,729,078)
Surplus/(deficit)	44,983	(364,240)	(694,563)	553,034	486,257	25,471
Development rights:						
Collections	-	-	2,700,065	1,521,621	546,917	4,768,603
Payments	-	-	-	-	-	-
Surplus	-	-	2,700,065	1,521,621	546,917	4,768,603
Grand total	44,983	(364,240)	2,005,502	2,074,655	1,033,174	4,794,074

This amount will grow to KES 4.4 bn

Total Units	2,107
Sold Units	1,724
	KES'mn
Value of Sold Units	15,534
Collected	(7,755)
Receivable	7,779
Unsold Units	3,758
Cost to Complete	(7,080)
Cash Return	4,457

The cash collected is recognized on the balance sheet as deferred revenue and only transfers to the income statement when the revenue recognition criteria is met i.e. unit or land is 100% paid for and the risks and rewards of ownership have transferred to the buyer.

The residential business has achieved cash breakeven and is on course to generating a total return of KES 4.5 billion over the next 24 to 36 months.

KES 4.5 Billion
Total Cash Return
from 2,077 Units

Business Performance Highlights, Residential Business.

KES 2.3 Billion
Developer Margin

- Of the 2,107 units, we have sold 83% and collected more than 53% of the sales value;
- The collections have been utilized to fund construction and have now surpassed the level of payments.

KES 2.2 Billion
Own Land
Monetized

Margin
KES 1.0 billion

Initial Cost +
Infrastructure
KES 1.2 billion

- The projects are currently being undertaken on our land and are contributing to monetizing our land banks and creating demand for the adjacent lands;
- Due to the activation of the sites, we have been able to sign an additional KES 8.6bn in development right sales to 3rd parties.

Business Performance Highlights, Sale of Development Rights.

The development rights business segment focuses on monetizing the Centum RE landbanks. Since revaluation gains have previously been recognized to mark the value of these parcels to market, this activity does not have any further impact on the P&L but is a key contributor to generating operating cash flows for the business.

Contracts	FY20	FY21	FY22	HY23	Total
At start of period	-	432	689	1,123	-
Value of contracts signed	432	2,723	2,149	3,360	8,664
Completed transactions	-	(2,466)	(1,714)	(125)	(4,305)
Ongoing contracts	432	689	1,123	4,359	4,359

Profitability of signed contracts

Value of contracts	432	2,723	2,149	3,360	8,664
Cost of acquisition + infra	(45)	(286)	(410)	(641)	(1,382)
Profit on disposal	387	2,437	1,739	2,719	7,282

Value of contracts	432	2,723	2,149	3,360	8,664
Collections	-	(2,700)	(1,521)	(546)	(4,767)
Receivable	432	23	628	2,814	3,897

Completed transaction	FY20	FY21	FY22	HY23	Total
Sale value	-	2,466	1,714	125	4,305
Cost of acquisition + infra	-	(259)	(327)	(36)	(622)
Profit on disposal	-	2,208	1,387	89	3,684
Previously recognised FV gains	-	(2,446)	(1,276)	(42)	(3,764)
Incremental profit	-	(238)	111	47	(80)

Development rights sales : Cash proceeds and utilization

KES'mn

Total value of contracts	8,664
Collections to date:	
- Completed transactions	(4,305)
- Ongoing transactions	(462)
Total collections	(4,767)
Receivable	3,897

The receivable of KES 3.8bn is expected to be received within the next 12 to 36 months

Use of proceeds	KES'mn
Debt service (3 rd party)	2,868
Taxes	369
Distributions to Centum	1,530
Total	4,768

**Average price on contracted sales achieved at 1.1X
of carrying value and 6.6X on cost.**



HY23 FINANCIAL PERFORMANCE

REAL ESTATE WITH REAL EXPERIENCE.

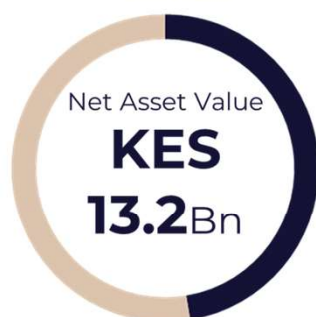
Portfolio Review, Summary of Portfolio as at September 2022.

Total Assets
KES 40.2
billion

Total Net Asset Value
KES 24.3
billion

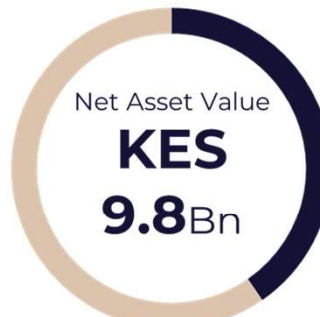
GCR Rating:
A2 short term
BBB+ long term

VIPINGO DEVELOPMENT
LIMITED



Total Assets
KES 21.7
billion

PEARL MARINA ESTATES
LIMITED



Total Assets
KES 13.7
billion

CENTUM DEVELOPMENT
KENYA LIMITED



Total Assets
KES 2.5
billion

UHURU HEIGHTS
LIMITED



Total Assets
KES 2.3
billion

Complete and units under construction HY23	Units	Sales value KES'mn	Cash return potential KES'mn
Sold and booked in income statement	410	3,143	638
Sales in progress from complete projects	179	1,626	237
Unsold units in complete projects	35	680	57
Sub-total	624	5,459	932
Sales in progress units under construction	1,135	10,381	2,754
Unsold inventory	318	3,078	771
Sub-total	1,453	13,458	3,525
Grand total	2,077	18,918	4,457

Portfolio Review, A Robust Pipeline Looking Forward.

- Revenue recognition criteria: unit completed, transferred to buyer and fully paid.
- The unrecognized revenue from the completed units is expected to be significantly recognized by March 2023.
- Our book NAV does not include the profits realizable from the current pipeline of infill developments under construction or those already sold.
- We can expect this profits to be booked in our income statement progressively over the next 24 - 36 months.

Portfolio Review, A Robust Development Rights Pipeline Looking Forward.

KES. '000	6 months ended 30 Sep 22	12 months ended 31 March 22
Value of signed contracts at start of period/year	1,241,323	650,034
Value of contracts signed during the period/year	3,217,321	2,305,502
Completed transactions during the year and recognized in the P&L	(124,600)	(1,714,213)
Value of signed contracts at end of period/year	4,334,044	1,241,323
Collections during the year from all signed contracts	617,808	1,508,038

KES. '000	30 Sep 22	30 Sep 21
Revenue from sale of development rights/land	124,600	348,463
Original cost of the land and related infrastructure costs	(35,648)	(173,793)
Gross profit	88,952	174,671
Previously recognized fair value gains on disposed land	(42,238)	(103,451)
Net gain on disposal	46,714	71,220

- We have a healthy and performing development right sales pipeline;
- Even though the transactions have low impact on the P&L, they have significant impact on the cashflows in the business.
- The development rights sales have been achieved at valuations that are several multiples to both the land acquisition and development costs and carrying values, validating both our business model as a master developer and the valuations on our balance sheet.

Portfolio Review, Consolidated Income Statement.

Key Drivers of Growth:

Completed Projects

- Awali , Mirabella, Palmridge and Riverbank projects completed and revenue recognized

Development Rights Sale

- KES 124 million in retail development right sales completed

Finance Costs

- Interest only on corporate facilities following restructure of shareholder loans

	Sep-22A KES'000	Sep-21A KES'000	% change
Residential units:			
Revenue	906,337	935,226	-3%
Sale commissions	(8,014)	(3,747)	114%
Cost of sales	(719,674)	(795,953)	-10%
Gross profit	178,649	135,526	32%
GP margin	20%	14%	
Development rights:			
Revenue	124,600	350,847	-64%
Commissions	-	(2,384)	-100%
Cost	(35,648)	(173,793)	-79%
Gross profit	88,952	174,671	-49%
Total gross profit	267,601	310,197	-14%
Other income	48,711	96,526	-50%
Operating and admin expenses	(276,476)	(233,204)	19%
Operating profit	39,836	173,519	77%
Previously recognised fair value gains	(42,238)	(103,451)	-59%
Interest on borrowings	(264,650)	(513,089)	-48%
Profit before tax	(267,052)	(443,021)	-40%
Income tax credit	79,673	140,323	-43%
Net income	(187,379)	(302,698)	38%
Currency translation differences	(583,693)	398,169	-247%
Total comprehensive income	(771,072)	95,471	908%

Portfolio Review, Consolidated Statement of Financial Position.

KES'000	30 Sep 22	31 March 22
Investment property	27,844,932	28,164,072
Inventory – completed residential units	1,454,835	2,241,899
Inventory – residential units under construction	6,177,095	5,315,536
Cash and cash equivalents	1,013,523	1,594,003
Other assets	3,787,132	3,551,866
Total Assets	40,277,517	40,867,376
Deferred Revenues	5,402,429	4,738,811
Borrowings	4,977,424	5,836,995
Other Liabilities	5,530,621	5,451,599
Total Liabilities	15,910,474	16,027,405
Net Assets	24,367,043	24,839,971
Funded by:		
Equity	16,029,786	16,800,858
Shareholder loans	8,337,257	8,039,113
Total Shareholder Funding	24,367,043	24,839,971

Key Drivers of Growth:

Deposit Collection

- KES 1.24bn collected during the period
- Significant recovery of collections post elections

On-going and Completed Projects

- On course to completing 3 projects in Kenya and Uganda during the 2nd half of the year

Development Rights

- Continued sale of development rights within our investment property

Portfolio Review, Gearing Analysis.

KES'000	30 Sep 2022	31 March 2022
	KES'000	KES'000
Borrowings	4,977,424	5,836,995
Less: Available cash	(1,013,523)	(1,594,003)
Net Borrowings	3,963,901	4,242,992
Equity (incl. shareholder loans)	24,367,042	24,839,971
Total Assets	40,277,516	40,867,376
Debt-Equity Ratio	16%	17%
Asset Cover Ratio	10.2x	9.6x

	Project finance	Corporate	Total
Outstanding amount	1,929,949	3,047,475	4,977,424
Less: Available cash	(751,508)	(262,015)	(1,013,523)
Net debt	1,178,441	2,785,460	3,963,901
Covered by:			
Receivables	1,739,725	3,888,495	5,628,220
Unsold units	776,355	-	776,355
Total	2,516,080	3,888,495	6,404,576
Coverage	2.14x	1.40x	1.62x

- Borrowings reduced by KES 860 million on account of principal repayments funded by the strong cashflows from the sale of development rights;
- As at 30 September 2022, the Group had cash holdings of KES 1.0 billion to fund the development of residential houses and meet the maturing debt obligations as they fall due.
- The facilities are sufficiently ring-fenced and are settled from specific cashflows.
- The receivables relate to the Riverbank and Loft projects that benefitted from the bond (project finance);
- The corporate facility is in Vipingo and was used to fund acquisition of the land and is repaid from the proceeds of monetizing the land bank. The receivable of Kes 3.8bn represents the outstanding amounts from signed contracts.



FY23 OUTLOOK

REAL ESTATE WITH REAL EXPERIENCE.

FY23 Outlook.

RESIDENTIAL BUSINESS

- In the 2nd half of the year, an **additional 423 units** are scheduled for completion over and above the 624 units that are already complete. Total complete units by March 2023 will be 1,047.
- We have begun market validating the **2nd phases** of Palmridge, Bella Vista and Mirabella in Vipingo and Uganda respectively.
- We **continue to optimize** our business model by faster delivery of units and improvement of margins through strategic procurement.

DEVELOPMENT RIGHTS BUSINESS

- Healthy **pipeline** of development rights sales across our sites. KES 8.7 billion of pipeline sales where KES 4.8 billion have been collected in deposits.
- We have recently launched **new products** under this revenue stream, targeting retail buyers for single-dweller development. The value of rights set aside for this product is KES 3.6 billion.





Q&A

REAL ESTATE WITH REAL EXPERIENCE.

HY 2023

Investor Briefing & Results Announcement.

For the period ended September 2022.

November 29, 2022.

The logo for CENTUM re is displayed within a dark blue circular graphic. The word "CENTUM" is in a bold, sans-serif font, and "re" is in a smaller, italicized font with a registered trademark symbol, enclosed in a circle.

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