



PROFIT WARNING ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

This announcement is made by FTG Holdings Limited pursuant to The Capital Markets (Securities) Public Offers, Listing and Disclosures Regulations, 2002.

The Board of Directors of the Company has analyzed the projected performance for FY2022 and the factors that are negatively impacting the operating results: first and foremost the sharp increase of raw material prices, specially plastics that are the main driver of our cost of sales (+70% vs 2021 average), shipping costs (tripled over the past 12 months), high prevailing inflation and interest rates as well as the depreciation of the local currencies against the US Dollar (KES depreciated from 106 KES/USD June 2021 to 124 KES/USD at the end December 2022). These factors combined have severely affected the margins and cashflows of the company, which also led to higher short-term debt, mainly LC lines to finance the purchase of raw material, hence leading to higher finance cost incurred.

Despite the positive progression of sales and market share, it is predicted that earnings for the year will be at least 25% less than the level of earnings in the previous year.

The Board of Directors expect that the impact of above-mentioned adverse factors will be highly reduced in 2023 and anticipate market corrections and improved profitability to be registered in the coming periods.

Dated: 30th December 2022

By order of the Board

For and on behalf of FTG Holdings Ltd

Signed

A handwritten signature in black ink, appearing to be a stylized name, positioned above the title "Chairman".

Chairman