

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

| | 2021 Kshs | 2020 Kshs |
|---|---------------------|---------------------|
| Turnover | 150,085,489 | 105,888,920 |
| Direct Costs | (108,335,534) | (61,746,729) |
| Gross (Loss)/Profit | 41,749,955 | 44,142,192 |
| Expenses | | |
| Administrative Costs | 13,439,003 | 24,957,553 |
| Other Operating Expenses | 42,791,070 | 40,470,410 |
| Governance Expenses | 347,710 | |
| Net Operating Profit/Deficit | (14,827,829) | (21,285,771) |
| Other Gains/(Loss) | - | 999,145 |
| Finance Cost | 2,579,266 | 2,184,441 |
| Net Surplus/(Deficit) Before Tax | (17,407,095) | (22,471,068) |
| Tax Charge | - | - |
| Net Surplus/(Deficit) After Tax | (17,407,095) | (22,471,068) |
| Basic & Diluted Earnings Per Share | (0.28) | (0.36) |
| Weighted Average No of Shares | | |

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2021

| | 2021 Kshs | 2020 Kshs |
|---------------------------------------|--------------------|-------------------|
| ASSETS | | |
| Non-Current Assets | 67,677,643 | 67,068,857 |
| Current Assets | 44,873,968 | 25,538,158 |
| Total Assets | 112,551,611 | 92,607,015 |
| EQUITY & LIABILITIES | | |
| Share Capital | 31,600,000 | 31,600,000 |
| Retained Earnings | (19,999,624) | (2,592,530) |
| Total Equity | 11,600,376 | 29,007,470 |
| Non-Current Liabilities | 16,400,599 | 8,761,949 |
| Current Liabilities | 84,550,637 | 54,537,595 |
| Total Equity & Liabilities | 112,551,611 | 92,607,016 |

SUMMARY STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st DECEMBER 2021

| | 2021 | 2020 |
|--|-------------------|---------------------|
| Operating profit/(loss) before working capital changes | (6,316,647) | (14,333,402) |
| Changes in working capital | (35,696,863) | 7,051,375 |
| Net Cash flow from Operating Activities | 29,380,215 | (7,282,028) |
| Net Cash Flow from Investing Activities | (12,512,354) | 1,576,000 |
| Net Cash Flow from Financing Activities | 1,766,353 | (5,595,368) |
| Changes in Cash and Cash Equivalents | 18,634,215 | (11,301,395) |
| Cash and Cash Equivalent at the Beginning | 1,866,932 | 13,168,326 |
| Cash and Cash Equivalent as at Year End | 20,501,147 | 1,866,931 |

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

| | Share Capital | Retained Earnings | Total |
|------------------------------------|-------------------|---------------------|-------------------|
| As at 1.01.2020 | 20,000,000 | 19,878,538 | 39,878,538 |
| Addition/ (Reduction) of Shares | 11,600,000 | | 11,600,000 |
| Net Surplus/(Deficit) for the Year | - | (22,471,068) | (22,471,068) |
| As at 31.12.2020 | 31,600,000 | (2,592,530) | 29,007,470 |
| As at 1.01.2021 | 31,600,000 | (2,592,530) | 29,007,470 |
| Addition/ (Reduction) of Shares | - | - | - |
| Net Surplus/(Deficit) for the Year | - | (17,407,095) | (17,407,095) |
| As at 31.12.2021 | 31,600,000 | (19,999,624) | 11,600,376 |

PERFORMANCE REVIEW

Homeboyz Entertainment PLC endured a tough economic environment in 2021 highlighted by the prevalence of the COVID-19 whose adverse effects impacted heavily on the entertainment industry. Despite the harsh operating environment, the Company staged an impressive 42% y/y growth in top-line revenue to Kes 150 million. Similarly, management's efforts to tame its cost base paid off with a 22.5% y/y decline in the operating loss to Kes 17 million.

BUSINESS OUTLOOK 2022

The entertainment industry showed some vital signs of recovery towards the end of 2021 which can be largely attributed to the diminishing effects of the COVID-19 pandemic combined with the full re-opening of economic and social activities across the country. While the industry is yet to recover fully, the business continues to take active measures to boost top-line growth and ensure sufficient cushioning of the bottom-line.

Revenue growth remains our main objective as we seek to leverage on the positive macro-economic outlook to accelerate revenue diversification, improve efficiency levels and expand our customer base. Informed by an increased uptake of social events as witnessed in the early part of 2022, we are confident of a more stable and stronger business pipeline that will provide the much-needed impetus to the company's growth.

We would like to thank our customers, our staff, business partners and all stakeholders for their support as we continue contributing to national economic growth.

DIVIDENDS

The Directors do not recommend a dividend payment for the year 2021.

MESSAGE FROM THE DIRECTORS

These are extracts from the financial statements of the Company which have been audited by Matengo & Associates and have received an unqualified opinion. A full set of these financial statements will be availed at our registered office at Galana Plaza 8th Floor, Galana Road and online at www.homeboyz.co.ke for inspection after approval by shareholders at the Annual General Meeting.

The financial statements were approved and authorized for issue by the Board of Directors on 27th April 2022 and were signed on its behalf by:

Humphrey Wattanga
Chairman

Stephen Gugu
Director

Michael Rabar
CEO