

Real People Kenya Limited

REAL PEOPLE™

QUICK AFFORDABLE LOANS

UNAUDITED FINANCIAL REPORTS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2024

STATEMENT OF FINANCIAL POSITION FOR THE 6 MONTH PERIOD ENDING 30 JUNE 2024

Figures in Kenyan Shilling thousand

	June 2023	June 2024
Assets		
Equipment	2,283	750
Right-of-use assets	14,413	6,554
Intangible assets	-	-
Loans receivable	235,114	182,564
Trade and other receivables	24,226	10,290
Current tax receivable	215,528	215,528
Cash and cash equivalents	6,770	20,490
Total Assets	498,334	436,176
Equity and Liabilities		
Equity		
Share capital	750,000	750,000
Accumulated (loss)/surplus	(712,240)	(787,467)
Total Equity	37,760	(37,467)
Liabilities		
Lease liabilities - right-of-use assets	18,561	9,028
Trade and other payables	5,785	5,582
Medium term notes	436,228	459,033
Total Liabilities	460,574	473,643
Total Equity and Liabilities	498,334	436,176

STATEMENT OF COMPREHENSIVE INCOME

Figures in Kenyan Shilling thousand

	June 2023	June 2024
Revenue	44,901	40,389
Other operating income	619	578
Impairments of loans and advances	12,929	4,613
Other operating expenses	(76,418)	(60,894)
	(17,969)	(15,313)
Finance costs	(18,409)	(3,258)
Other non-operating gains (losses)	-	-
Loss before taxation	(36,378)	(18,571)
Tax (charge)/credit	-	-
Loss for the period	(36,378)	(18,571)
Comprehensive loss for the period	(36,378)	(18,571)

STATEMENT OF CHANGES IN EQUITY

Figures in Kenyan Shilling thousand

	Share capital	(Deficit) / surplus	Total equity
Balance at 01 January 2023	750,000	(675,864)	74,136
Comprehensive income for the year	-	(93,032)	(93,032)
Balance at 31 December 2023	750,000	(768,896)	(18,896)
Comprehensive loss for the 6 month period	-	(18,571)	(18,571)
Balance at 30 June 2023	750,000	(787,467)	(37,467)

STATEMENT OF CASH FLOWS

Figures in Kenyan Shilling thousand

	June 2023	June 2024
Net cash flows from/(used in) operations	(8,484)	15,393
Net cash flows used in investing	(148)	-
Net cash flows (used in)/from financing	3,973	(1,673)
Total cash movement for the period	(4,659)	13,720
Cash & cash equivalents at the beginning of the period	11,429	6,770
Total cash at the end of the period	6,770	20,490

Performance Update

The Real People turn around journey continued in the half year period under review, resulting in a reduction of the loss position by KShs 17.8 million compared to the previous period. The improved performance was a result of continued aggressive collection on previously impaired loans, a 21% decrease in operating expenditures, and a reduction in finance costs following renegotiation of the Bond interest with noteholders. The company has improved its credit practices, resulting in reduced impairments and a slightly higher cash position despite the challenging operating environment.

The turnaround Board is grateful to the Noteholders, staff and customers for their ongoing support towards the turnaround of the business. Working closely with all stakeholders, we remain committed to our turn around strategy, the next phase of which is detailed below.

Notification of Change on Shareholding and Directors

To pave way for the next phase of the turnaround program, Directors and Management have completed a Management Buyout, resulting in a 100% change of shareholding from Real People Holding International (RPHIL) to RISA Capital Ltd.

In addition, the following changes have been made to the Board of Directors:

- Ms Yvonne M. Godo, an Independent Non-Executive Director and Chair of the Board's Remuneration and Nomination Committee, resigned effective 31 July 2024.
- Ms June L. Adembesa has been appointed as an Independent Non-Executive Director effective 1 September 2024, subject to regulatory approval.
- Ms Catherine Muniyiri, an Independent Non-Executive member of the board, has been appointed the Chairperson of the Remuneration & Nominations Committee.

RISA Capital and the reconstituted board will spearhead phase two of the turnaround strategy with key focus on:

- Fund raising to recapitalize the business, building on the established network of 7 branches and over 4,000 loyal SME customers.
- Application for the CBK Digital Credit Provider License (ongoing process).
- Business performance optimisation to completely reverse the operational losses which have so far reduced from an average of KES 19.5 million to now KES 2 million per month.

The financial statements are extracts from the book of the Company.

The summary financial statements are available on the company's website, www.RealPeople.co.ke

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By order of the Board of Directors

Thursday, 29 August 2024