



THE NAIROBI SECURITIES EXCHANGE PLC

PROFIT WARNING ANNOUNCEMENT

Nairobi Securities Exchange PLC (“the Company”), makes this announcement pursuant to the provisions of the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

The performance of the Company in 2019 was adversely affected by a challenging economic environment and reduced inflow of capital from global frontier market investors who are key participants in our market. Recognizing this challenge, the Company took proactive action to sustain its performance, which included a cost rationalization strategy, diversification of its business offerings, with the full launch of its Derivatives Market, implementation of the Ibuka Program - which now hosts 22 companies since its inception in December 2018 - and a refocus on its data and training businesses. In addition we commissioned our new trading platform which not only provides a highly available and efficient trading infrastructure but also has capabilities for Securities Lending and Borrowing (SLB), Day Trading and Short Selling which will lead to improved trading performance, enhanced liquidity and a more diverse pool of capital.

The market has witnessed a good recovery in the last quarter of 2019 and we expect this to continue well into 2020. With the Company having formulated its 2020 – 2024 Strategy, whose key focus is increasing the listed companies, enhancing our strategic alliances and leveraging on technology, we are now well positioned to provide a capital raising platform for potential issuers.

Taking the foregoing into account, the Board of Directors of the Company hereby informs its shareholders and the general public that based on the projections for the remainder of the year, the Company is expected to record a decline of more than 25% in the net profit attributable to the shareholders of the Company for the financial year ended 31 December 2019, as compared to that for the same period ending 31 December 2018.

The information contained in this announcement is based on the information currently available to the Board. Details of the Company’s financial position will be disclosed in the financial results announcement for the year ending 31 December 2019, expected to be published by the end of March 2020.

BY ORDER OF THE BOARD

GEOFFREY O. ODUNDO
CHIEF EXECUTIVE

DATE: 13 December 2019