



2024 Annual Report and Financial Statements

CORPORATE INFORMATION



Board of Directors

Eng. Erastus Mwongera (Chairman)
John Mugo (Managing Director)
Akif Butt
Lydia Mbutia
Peter Gitonga
Sameer Merali
Patricia Kiwanuka (Appointed on 6th May 2024)
Mary Ngatia (Resigned on 6th May 2024)

Audit, Risk and Corporate Governance Committee

Lydia Mbutia (Chairlady)
Sameer Merali
Patricia Kiwanuka
Mary Ngatia (Resigned on 6th May 2024)

Finance, Strategy and Investments Committee

Akif Butt (Chairman)
Peter Gitonga
Sameer Merali
Lydia Mbutia

Nominations and Remuneration Committee

Patricia Kiwanuka (Chairlady)
Eng. Erastus Mwongera
Peter Gitonga
Mary Ngatia (Resigned on 6th May 2024)

Registered Office & Principal Place of Business

Nairobi/Block 125/2370
Mombasa Road
P.O. Box 30429
00100 Nairobi GPO.

Company Secretary

Millicent Ngetich

Listing

Nairobi Securities Exchange

Share Registrars

Custody & Registrars Services Limited
Bruce House, 6th Floor,
Standard Street,
P.O. Box 8484,
00100 Nairobi GPO

Principal Advocates

Kipkorir, Titoo & Kiara,
Posta Sacco Plaza,
P.O. Box 10176
00100 Nairobi GPO.

Waruhiu K'Owade & Ng'ang'a Advocates
Taj Towers, 4th floor, Wing B,
Upperhill Road.
P.O. Box 41722
00100 Nairobi GPO

Principal Bankers

NCBA Bank (Kenya) PLC,
NCBA House,
P.O.Box 44599,
00100 Nairobi GPO.

Standard Chartered Bank (Kenya) PLC,
48, Westlands Road,
P.O. Box, 30003,
00100, Nairobi GPO.

Auditors

RSM Eastern Africa LLP
Certified Public Accountants
1st Floor, Pacis Centre
Slip road, Off Waiyaki Way, Westlands
P.O. Box 349-00606
Nairobi

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WHO WE ARE

Sameer Africa PLC is a public limited company that is listed on the Nairobi Securities Exchange. The company's principal business is the letting of investment property and operates primarily in Kenya.

WHAT WE DO

Our Property Business

The Group owns a large property holding part of which is built up and on which our investment property income is derived and other parcels earmarked for future development.

Our Property Investments



Sameer EPZ, licensed as Kenya's first Export Processing Zone (EPZ) 30 years ago, is a prominent industrial zone dedicated to promoting export-oriented industries and economic growth in the country. Established in 1992, it has played a significant role in Kenya's economic development and international trade.

From its strategic location off Enterprise Road, Sameer EPZ offers various advantages to businesses looking to set up operations. It provides a range of infrastructure and facilities tailored to meet the needs of export-oriented industries. These include factory spaces, warehouses, utility services, and transportation networks, ensuring a conducive environment for production and trade.



Ex-Factory Complex

Leading provider of light industrial and logistics spaces ranging from 5,000 sq.ft to over 100,000 sq.ft, with in-house electric power substation offering 15MVA capacity. Excellent access to key logistics hubs and transport nodes, located within 10 minutes' drive to JKIA, Kenya's largest aviation facility and gateway to the rest of Africa, and the Nairobi Inland Container Depot that links to the Mombasa port by rail with capacity to handle 450,000 TEUs per annum.



Sameer Business Park (SBP) is perfectly situated between Nairobi's central business district and Jomo Kenyatta International airport, SBP is a modern office and showroom complex boasting many impressive facilities and amenities of the highest international standard.

The park comprises five units totaling approximately 400,000 sq.ft of office and showroom space, each easily accessible from the Nairobi-Mombasa highway.

Sameer Business Park is a unique development from Sameer Group, one of Kenya's largest and most respected investment firms. The Company owns a 25% equity stake in the development.

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CHAIRMAN'S STATEMENT

“ Over the last five years, the Board has worked tirelessly to lay a strong foundation to enable the Company unlock value from its investment properties. We have optimised an integrated and internally-managed business model that has put the Company on a trajectory of sustainable growth.

Our strategy over the next five years is focused on accelerating and scaling our business model through a disciplined and objective process that will enable us to identify opportunities to increase our footprint both locally and beyond our borders, while managing the risks arising from pervasive uncertainty that is expected to persist into the future. Our vision is to be the leading provider of industrial real estate assets in East Africa, providing sustainable value to our clients, our shareholders and the communities where we operate in.

Eng. Erastus Mwongera
Chairman



CHAIRMAN'S STATEMENT (...CONTINUED)

OVERVIEW

It gives me great pleasure to present to you the Annual Report for the financial year ended 31st December 2024 on behalf of the Board and management of the Company. This period also marked the final year of our strategic plan spanning the years 2020 to 2024, where our key focus was on laying a strong foundation to enable the Company to unlock value from our investment properties.

Business Overview

The last five years have been shaped by unprecedented global challenges, including the COVID-19 pandemic, heightened geopolitical and trade tensions, inflationary pressures, and supply chain disruptions, resulting in slower economic growth and increased financial instability for most economies.

At the domestic front, persistent fiscal deficits and public debt vulnerabilities prompted the government of Kenya to institute ambitious revenue and fiscal consolidation measures which sparked public unrest and dampened private investment. GDP grew at a slower pace of 4.7% in 2024 compared to 5.7% in 2023, with slower growth witnesses in key sectors of the economy including construction, transport and storage, and electricity supply.

During the strategic period, the Board of Directors was actively involved in shaping the strategy of the Company, enabling us to weather the storms noted above and emerge with a strong foundation for sustainable value creation for our stakeholders.

Our efforts have been directed at stabilizing revenue generation, increasing operating profitability, strengthening the Company's balance sheet, and optimizing our business model to unlock value from our investment properties.

OUR BUSINESS

Over the strategic period, overall revenue has declined by 49% whereas operating profitability has improved by 21%. This has been driven by dedicated focus on our property business, where revenue has improved by 34% with an average profit after tax margin of 40%.

Total Group assets have expanded by 45% from KShs 1.05 billion in 2020 to KShs 1.52 billion in 2024, with shareholders' equity expanding six-fold from KShs 115 million to KShs 736 million over the same period. Over this period, the Company has successfully repaid loans that amounted to KShs 744 million in 2020. Please refer to the Managing Director's report for details on performance for the financial year to December 2024.

We have refined the business model in our property segment to ensure that the Company secures attractive and predictable long-term returns, anchored on four inter-related aspects managed internally, namely: leasing management, property management, development management and capital management.

Our development activities are based on a built-to-suit model, requiring any development to be secured by a firm pre-construction tenancy commitment. This enables the Company to utilize capital optimally within our expected return metrics. Further details on our business model and performance are provided in the overview section of this report.

Strategy Implementation

In line with our business model, we undertook our first expansion project to deliver a custom-built facility for a single occupier at our Mombasa Road complex in November 2023, backed by a 12-year lease agreement for 100% occupancy. I am pleased to report that the project was successfully completed and the facility occupied by our tenant in July 2024.

As part of our capital management process, the Company entered into an agreement to sell a portion of undeveloped leasehold land in the fourth quarter of 2022. The transaction was negatively impacted by administrative and procedural delays at the Government land registry occasioned by the migration to the Ardhisasa platform.

I am pleased to report that the Company has obtained the requisite completion documents for the transaction, and a significant downpayment was made by the purchaser in 2024. The transaction is now pending customary completion activities and is projected to conclude within the second half of 2025.

OVER THE LAST 5-YEARS

TOTAL GROUP ASSETS HAVE EXPANDED BY

45% ▲ to KShs 1.52 billion in 2024

SHAREHOLDERS' EQUITY EXPANDED SIX-FOLD

KShs 736 million

REPAID LOANS

744 million

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Governance

Our board has continued to prioritize sound and effective governance, promoting transparency and accountability, and giving our stakeholders assurance on the long-term sustainability of the Company.

During the year under review, the Board has continuously monitored the Company's compliance with applicable laws, regulations and standards through the Audit, Risk and Corporate Governance Committee, and has ensured that corrective actions identified in the independent governance audit carried out for the year ended 31st December 2023 are fully implemented.

CHAIRMAN'S STATEMENT (...CONTINUED)

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board has planned for the next independent governance audit to be carried out in the first quarter of 2026 for the period to December 2025.

The Board conducted an internal legal and compliance audit for the year under review, which confirmed that the Company continued to adhere to relevant legal and regulatory requirements.

Following seven years of service, Mrs. Mary Ngatia exited from the Board on 6th May 2024, having served with exceptional dedication and expertise as the Chairperson of the Nominations and Remuneration Committee and a member of the Audit, Risk and Corporate Governance Committee.

The Board appointed Ms. Patricia Kiwanuka, an accomplished financial services and management expert, to fill the casual vacancy. Her appointment was approved by the member of the Company during our last AGM held on 20th June 2024.

Ethics and Risk Management

During the period under review, the Board has overseen an effective risk management framework with commitment to continuous improvement as we assess emerging risks and opportunities. The committees of the Board have been instrumental in ensuring our risk policies and practices are aligned to the changing operating and regulatory landscape.

The Audit, Risk and Corporate Governance Committee worked closely with the external auditors and the independent internal audit function to continuously monitor the risk framework and the internal

controls environment, in addition to reviewing their effectiveness. I am happy to report that adequate mitigation measures have been implemented to address strategic and operational risks, and your business has continued to operate ethically and in full compliance with the relevant legal and regulatory frameworks.

Outlook

Over the last five years, the Board has worked tirelessly to lay a strong foundation to enable the Company unlock value from its investment properties. We have optimised an integrated and internally managed business model that has put the Company on a trajectory of sustainable growth.

Our strategy over the next five years is focused on accelerating and scaling our business model through a disciplined and objective process that will enable us to identify opportunities to increase our footprint both locally and beyond our borders, while managing the risks arising from pervasive uncertainty that is expected to persist into the future.

Our vision is to be the leading provider of industrial real estate assets in East Africa, providing sustainable value to our clients, our shareholders and the communities where we operate in.

Conclusion

Our ability to oversee the transformation of this Company would not have been possible without the unwavering commitment of our employees who live out our values of ICARE in their daily interactions, enabling us to deliver our strategy. As a result, we have gained the confidence of our clients, who give us an opportunity to house their operations and be part of their success story.

Finally, on behalf of the Board, I extend our gratitude to our shareholders, who

have consistently expressed their confidence in this Board's ability to steer the Company forward to greater success. With your support, we are confident of sustaining the growth trajectory and resuming dividend payments within the new strategic period.

God bless Sameer Africa and God bless each one of you.

Eng. Erastus Kabutu Mwongera

FIEK, RCE, CBS

Chairman

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TAARIFA YA MWENYEKITI

“Katika kipindi cha miaka mitano iliyopita, Bodi imefanya kazi bila kuchoka kuweka msingi imara ili kuwezesha Kampuni kuvumbua thamani kutoka kwa mali yake ya uwekezaji. Tumeboresha mbinu ya biashara iliyounganishwa na inayosimamiwa ndani ambayo imeweka Kampuni kwenye mstari wa ukuaji endelevu.

Mkakati wetu katika kipindi cha miaka mitano ijayo unalenga katika kuongeza kasi na kuongeza mbinu ya biashara yetu kupitia mchakato wenye nidhamu na lengo ambayo itatuwezesha kutambua fursa za kuongeza juhudi zetu ndani na nje ya mipaka yetu, huku tukidhibiti hatari zinazotokana na kutokuwa na uhakika ulioenea ambao unatarajiwa kuendelea katika siku zijazo. Ruwaza yetu ni kuwa kampuni inayoongoza katika huduma za nyumba na ujenzi katika Afrika Mashariki, kutoa thamani endelevu kwa wateja wetu, wanahisa wetu na katika jamii tunamofanyia kazi.

Mhandisi. Erastus Kabutu Mwongera FIEK, RCE, CBS
Mwenyekiti

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Inanipa furaha kubwa kuwasilisha kwenu Ripoti ya Mwaka ya mwaka wa kifedha uliokamilika tarehe 31 Desemba 2024 kwa niaba ya Bodi na usimamizi wa Kampuni. Kipindi hiki pia kiliadhimisha mwaka wa mwisho wa mpango mkakati wetu kuanzia 2020 hadi 2024, ambapo lengo letu kuu lilikuwa kuweka msingi thabiti wa kuwezesha Kampuni kuvumbua thamani kutoka kwa mali zetu za uwekezaji.

Muhtasari wa Biashara

Miaka mitano iliyopita imechangiwa na changamoto ambazo hazijawahi kushuhudiwa duniani, ikiwa ni pamoja na janga la COVID-19, kuongezeka kwa mvutano wa kisiasa wa kijiografia na biashara, shinikizo la mfumuko wa bei, na usumbufu wa ugavi, na kusababisha ukuaji wa uchumi polepole na kuongezeka kwa kuyumba kwa kifedha kwa mataifa mengi. Kitaifa, upungufu wa fedha unaoendelea na udhaifu wa deni la umma uliifanya serikali ya Kenya kuanzisha hatua kabambe za mapato na ujumuishaji wa fedha ambazo zilizua machafuko ya umma na kuzorotesha uwekezaji wa kibinafsi. Pato la Taifa lilikua kwa kasi ya chini ya 4.7% mwaka 2024 ikilinganishwa na 5.7% mwaka 2023, na mashahidi wa ukuaji wa polepole katika sekta muhimu za uchumi ikiwa ni pamoja

na ujenzi, usafiri na uhifadhi, na usambazaji wa umeme.

Katika kipindi hicho cha kimkakati, Bodi ya Wakurugenzi ilishiriki kikamilifu katika kuunda mkakati wa Kampuni, na kutuwezesha kukabiliana na dhoruba zilizotajwa hapo juu na kuibuka na msingi thabiti wa kuunda thamani endelevu kwa washikadau wetu. Juhudi zetu zimeelekezwa katika kuleta utulivu wa uzalishaji wa mapato, kuongeza faida ya uendeshaji, kuimarisha mizani ya Kampuni, na kuboresha mtindo wetu wa biashara ili kuvumbua thamani kutoka kwa mali zetu za uwekezaji.

Katika kipindi cha kimkakati, mapato ya jumla yamepungua kwa 49% wakati faida ya uendeshaji imeongezeka kwa 21%. Hii imechangiwa na umakini wa kujitolea kwenye biashara yetu ya mali, ambapo mapato yameongezeka kwa 34% na faida ya wastani baada ya kiwango cha ushuru cha 40%. Rasilimali za Kampuni zimeongezeka kwa 45% kutoka Shilingi bilioni 1.05 mwaka wa 2020 hadi Shilingi bilioni 1.52 mwaka wa 2024, huku usawa wa wenyehisa ukiongezeka mara sita kutoka Shilingi milioni 115 hadi Shilingi milioni 736 katika kipindi hicho. Katika kipindi hiki, Kampuni imefanikiwa kulipa mikopo iliyofikia Shilingi milioni 744 mwaka wa 2020.

Tafadhali rejelea ripoti ya Mkurugenzi Mkuu kwa maelezo zaidi kuhusu utendakazi wa mwaka wa kifedha hadi Desemba 2024.

Tumeboresha mtindo wa biashara katika sehemu yetu ya mali ili kuhakikisha kwamba Kampuni inapata faida za muda mrefu zinazovutia na zinazoweza kutabirika, zinazozingatia vipengele vinne vinavyohusiana vinavyosimamiwa ndani, yaani: usimamizi wa ukodishaji, usimamizi wa mali, usimamizi wa maendeleo na usimamizi wa mtaji. Shughuli zetu za maendeleo zinatokana na mbinu ya kumzingatia mteja, inayohitaji maendeleo yoyote kulindwa na ahadi thabiti ya upangaji kabla ya ujenzi. Hili huwezesha Kampuni kutumia mtaji ipasavyo ndani ya vipimo vyetu vinavyotarajiwa. Maelezo zaidi kuhusu mbinu ya biashara na utendaji wetu yametolewa katika sehemu ya muhtasari wa ripoti hii.

Utekelezaji wa Mkakati

Kwa mujibu wa mtindo wetu wa biashara, tulifanya mradi wetu wa kwanza wa upanuzi wa kuwasilisha kituo kilichoengwa kwa kuzingatia mahitaji ya mteja kwa mkaaji mmoja katika jumba letu la Mombasa Road mnamo Novemba 2023. Jumba hili lilijengwa kwa makubaliano ya kukodishwa kwa miaka 12 ya umiliki

KAULI YA MWENYEKITI

wa 100%. Nina furaha kuripoti kuwa mradi ulikamilika kwa ufanisi na kituo kilichukuliwa na mpangaji wetu mnamo Julai 2024.

Kama sehemu ya mchakato wetu wa usimamizi wa mtaji, Kampuni iliingia katika makubaliano ya kuuza sehemu ya ardhi ya kukodisha ambayo haijandelezwa katika robo ya nne ya 2022. Shughuli hiyo iliathiriwa vibaya na ucheleweshaji wa kiutawala na utaratibu katika sajili ya ardhi ya Serikali iliyosababishwa na uhamishaji hadi jukwaa la Ardhisasa. Nina furaha kuripoti kwamba Kampuni imepata hati zinazohitajika za kukamilisha shughuli hiyo, na malipo makubwa yalifanywa na mnunuzi mnamo 2024. Shughuli hiyo sasa inasubiri kukamilika kwa shughuli za kimila na inakadiriwa kukamilika katika nusu ya pili ya 2025.

Utawala

Bodi yetu imeendelea kutanguliza utawala bora na wenye ufanisi, kukuza uwazi na uwajibikaji, na kuwapa wadau wetu hakikisho kuhusu uendeleu wa muda mrefu wa Kampuni.

Katika mwaka unaoangaziwa, Bodi imeendelea kufuatilia utiifu wa Kampuni kwa sheria, kanuni na viwango vinavyotumika kupitia Kamati ya Ukaguzi, Hatari na Utawala Bora, na imehakikisha kwamba hatua za kurekebisha zilizobainishwa katika ukaguzi huru wa usimamizi uliofanywa kwa mwaka uliomalizika tarehe 31 Desemba 2023 zinatekelezwa kikamilifu. Kufuatana na masharti ya Kanuni za Utawala Bora kwa Watoaji wa Dhamana kwa Umma, 2015, Bodi imepanga ukaguzi unaofuata wa utawala huru kutekelezwa katika robo ya kwanza ya 2026 hadi Desemba 2025. Bodi ilifanya ukaguzi wa ndani wa sheria na utiifu kwa mwaka unaoangaziwa, ambao ulithibitisha kwamba Kampuni itaendelea kufuata mahitaji ya kisheria.

Kufuatia miaka saba ya huduma, Bi.

Mary Ngatia alijiuzulu kutoka kwa Bodi mnamo tarehe 6 Mei 2024, baada ya kuhudumu kwa ari na utaalamu wa kipekee kama Mwenyekiti wa Kamati ya Uteuzi na Mishahara na mjumbe wa Kamati ya Ukaguzi, Hatari na Utawala Bora. Bodi ilimteua Bi. Patricia Kiwanuka, mtaalamu aliyebobea wa huduma za kifedha na usimamizi, kujaza nafasi iliyoachwa wazi. Uteuzi wake ulidhinishwa na mwanachama wa Kampuni wakati wa Mkutano Mkuu wa Mwaka (AGM) uliofanyika tarehe 20 Juni 2024.

Maadili na Usimamizi wa Hatari

Katika kipindi kinachoangaziwa, Bodi imeanzisha mfumo madhubuti wa usimamizi wa hatari kwa kujitolea kuboresha kila mara tunapotathmini hatari na fursa zinazojitokeza. Kamati za Bodi zimekuwa muhimu katika kuhakikisha sera na desturi zetu za hatari zinapatana na mabadiliko ya mazingira ya uendeshaji na uhibititi. Kamati ya Ukaguzi, Hatari na Utawala Bora ilifanya kazi kwa karibu na wakaguzi wa nje na kazi huru ya ukaguzi wa ndani ili kuendelea kufuatilia mfumo wa hatari na mazingira ya uhibititi wa ndani, pamoja na kukagua ufanisi wao. Nina furaha kuripoti kwamba hatua za kutosha za kupunguza zimetokelezwa ili kushughulikia hatari za kimkakati na kiutendaji, na biashara yako imeendelea kufanya kazi kwa maadili na kwa kufuata kikamilifu mifumo husika ya kisheria na uhibititi.

Mtazamo

Katika kipindi cha miaka mitano iliyopita, Bodi imefanya kazi bila kuchoka kuweka msingi imara ili kuwezesha Kampuni kuvumbua thamani kutoka kwa mali zake za uwekezaji. Tumeboresha mbinu ya biashara jumuishi na inayosimamiwa ndani. Mbinu hii imeweka Kampuni kwenye mstari wa ukuaji endelevu. Mkakati wetu katika kipindi cha miaka mitano ijayo unalenga kuongeza kasi na kuongeza mbinu ya biashara yetu kupitia mchakato wenye nidhamu na lengo ambao utatuwezesha kutambua

fursa za kuongeza juhudu zetu ndani na nje ya mipaka yetu, huku tukidhibiti hatari zinazotokana na kutokuwa na uhakika ulioenea ambao unatarajiwa kuendelea katika siku zijazo. Ruwaza yetu ni kuwa kampuni inayoongoza katika huduma za nyumba na ujenzi katika Afrika Mashariki, kutoa thamani endelevu kwa wateja wetu, wanahisa wetu na katika jamii tunamofanyia kazi.

Hitimisho

Uwezo wetu wa kusimamia mabadiliko ya Kampuni hii haungewezeke bila dhamira isiyoyumba ya wafanyakazi wetu ambao wanaishi kulingana na maadili yetu ya ICARE katika mwingiliano wao wa kila siku, na kutuwezesha kutoa mkakati wetu. Kwa hivyo, tumepata imani ya wateja wetu, ambao hutupatia fursa ya kuwapa mazingira ya kufanyia shughuli zao na kuwa sehemu ya hadithi yao ya mafanikio.

Hatimaye, kwa niaba ya Bodi, ninatoa shukrani zetu kwa wenyehisa wetu, ambao mara kwa mara wameonyesha imani yao katika uwezo wa Bodi hii wa kuongoza Kampuni mbele kwa mafanikio makubwa zaidi. Kwa msaada wako, tuna uhakika wa kuendelea mwelekeo wa ukuaji na kurejesha malipo ya gawio ndani ya kipindi kipya cha kimkakati. Mungu ibariki Sameer Africa na Mungu awabariki kila mmoja wenu.

Mhandisi. Erastus Kabutu Mwongera
FIEK, RCE, CBS

Mwenyekiti

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MANAGING DIRECTOR'S STATEMENT

“ During the year, we successfully delivered the Infill Project, a 45,000 square feet built-to-suit industrial warehouse facility developed for a single occupier, backed by a 12-year tenancy agreement. Our built-to-suit model creates significant value for our clients in four key areas: space customization to meet their specific operational requirements; operational and financial efficiencies as a result of lower operating costs and tax deductibility of rental payments; capital optimisation by allocating available resources to their core business rather than in real estate; and business flexibility, allowing our clients to respond to evolving market conditions through timely expansion. In return, we secure attractive and predictable long-term rental income, protected by high switching costs.

John Mugo
Managing Director



MANAGING DIRECTOR'S STATEMENT (...CONTINUED)

It gives me great pleasure to present to you highlights of our performance for the year ended 31st December 2024 and a summary of our strategic focus for the next five years.

Business Performance Review

Our strategic focus over the last five years has been on stabilizing revenue generation, increasing operating profitability, strengthening the company's balance sheet, and optimizing our business model to unlock value from our investment properties.

In FY24, whereas overall revenue remained flat compared to prior year, rental income increased by 8% (KShs 28.4 million), offsetting the decline in the trading income which had negligible contribution to the overall revenue (2023: 8% contribution). Rental income is anchored on long-term tenancy agreements incorporating contractual rent escalation provisions.

As the end of 2024, we had a weighted average unexpired tenancy term of 53 months, with average annual rent escalation above 5%. During the year, we successfully delivered the Infill Project, a 45,000 square feet built-to-suit industrial warehouse facility developed for a single occupier, backed by a 12-year tenancy agreement.

Our built-to-suit model creates significant value for our clients in four key areas: space customization to meet their specific operational requirements; operational and financial efficiencies as a result of lower operating costs and tax deductibility of rental payments; capital optimisation by allocating available resources to their core business rather than in real estate; and business flexibility, allowing our clients to respond to evolving market conditions through timely expansion.

In return, we secure attractive and predictable long-term rental income,

protected by high switching costs. The Infill Project will result in an annualized first-year rental income increase of 8%.

Operating profit margin has increased significantly over the last five years, with 2024 margin at 51% compared to 22% achieved in 2020.

We recorded an unrealized net foreign exchange gain of KShs 83.6 million on our USD denominated liabilities as a result of the appreciation of Kenya Shilling against the United States Dollar, boosting our reported profit after tax compared to prior year's performance, which included a foreign exchange loss of KShs 111.7 million.

The size and health of our balance sheet made tremendous improvement during the year. I am happy to report that we successfully paid off all borrowings amounting to KShs 540.7 million, boosting cashflow and enhancing our ability to capitalize on emerging development opportunities.

Total shareholders' funds increased by 56% to KShs 736 million (2023: KShs 473 million), driven by profitability in the year. The current liabilities at the end of the year were higher than the current assets due to a significant deposit paid in relation to the ongoing land sale transaction.

Our performance during the year is a culmination of concerted effort by the Board and management of the Company to lay a strong foundation for sustainable value creation from our investment properties.

Strategic focus

Over the next five years, our focus will be on accelerating and scaling our business model, guided by the following principles:

Integrated development approach

We are one of the largest developers and property managers of industrial

real estate in our region, offering more than 800,000 square feet of lettable space. Through our subsidiary Sameer Industrial Park Limited, we provide a fully registered export processing zone, offering fiscal and administrative incentives for export-oriented enterprises. We currently house tenants operating in distribution and warehousing, light industrial manufacturing and processing, and digital services provision including business process outsourcing and artificial intelligence data annotation.

Our development activities will leverage the existing facilities and will be guided by an integrated master-plan aimed at creating multifunctional spaces that are both sustainable and adaptable to evolving market needs, enhancing the long-term profitability of the Company.

Built-to-suit growth model

Guided by our integrated development master-plan, new developments will be based on a built-to-suit model for clients looking for a reliable partner to provide fit-for-purpose spaces for their business operations. We are uniquely suited to meet this requirement due to our internally managed business model that enables us to expeditiously develop and professionally manage all aspects of the real estate needs of our clients.

Client-led regional expansion

Over the strategic period, we aim to expand our footprint within East Africa beyond our existing property portfolio through partnership with credit-worthy clients requiring rental

industrial premises that is suited to their business needs. We value long-term engagements with our clients and our ability to understand their infrastructure requirements will enable them to have a seamless expansion roll-out.

Capital optimization

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To support our growth, our capital management activities will be focused on ensuring capital is allocated to maximize returns while minimizing risks and inefficiencies. We will leverage internally generated cashflow, including judicious non-core assets disposition, to recycle capital into new developments that align with our strategic and financial return objectives. To enhance asset-level value, we will optimise design, financing and tax structures to achieve financial flexibility and improve business sustainability.

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Conclusion

We are excited about our new strategic focus and are fully committed to accelerating and scaling our real estate business model to be the leading provider of industrial real estate assets in East Africa. Our performance over the last strategic period, despite the compelling external challenges, has enabled us to craft an adaptive and sustainable business model that will provide a stable launching pad for the next 5 years.

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In conclusion, I take this opportunity to extend my sincere gratitude to the Board of Directors for their unwavering support, our clients who continue to trust us to provide their real estate needs, our partners and service providers, and to my colleagues with whom I get to share this amazing journey. Thank you for your support.

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John Mugo
Managing Director

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TAARIFA YA MKURUGENZI MTENDAJI

“Katika mwaka huo, tuliwasilisha kwa ufanisi mradi wa Infill Project, jengo la ghala la viwanda lenye ukubwa wa futi za mraba 45,000 lililojengwa ili kutoshea eneo la viwanda lililotengenezwa kwa mpangaji mmoja kwa makubaliano ya upangaji wa miaka 12. Mbinu yetu ya biashara inalenga kuleta thamani kubwa kwa wateja wetu katika maeneo manne muhimu: urekebishaji wa nafasi ili kukidhi mahitaji yao maalum ya uendeshaji; gharama za uendeshaji na za kifedha za malipo ya mtaji kama matokeo ya chini ya kodi; uboreshaji kwa kutenga rasilimali zinazopatikana kwa biashara yao kuu badala ya biashara ya nyumba na ujenzi wa nyumba za kukodisha; na kubadilika kwa biashara, kuruhusu wateja wetu kukabiliana na hali ya soko inayobadilika kupitia upanuzi wa wakati, tunapata mapato ya kukodisha ya muda mrefu, yanayolindwa na gharama kubwa za kubadili.

John Mugo

Mkurugenzi Mtendaji

Inanipa furaha kubwa kuwasilisha kwenu muhtasari wa utendakazi wetu kwa mwaka uliokamilika tarehe 31 Desemba 2024 na muhtasari wa lengo letu la kimkakati kwa miaka mitano ijayo.

Muhtasari wa Utendaji wa Biashara

Mtazamo wetu wa kimkakati katika miaka mitano iliyopita umekuwa katika kuleta utulivu wa uzalishaji wa mapato, kuongeza faida ya uendeshaji, kuimarisha salio la kampuni, na kuboresha mtindo wetu wa biashara ili kupata thamani kutoka kwa mali zetu za uwekezaji.

Katika mwaka wa kifedha wa 2024, licha ya mapato ya jumla kusalia kuwa duni ikilinganishwa na mwaka uliopita, mapato ya kukodisha yaliongezeka kwa 8% (Shilingi milioni 28.4), kukabiliana na kushuka kwa mapato ya biashara ambayo yalikuwa na mchango mdogo kwa mapato ya jumla (2023: mchango wa 8%).

Mapato ya kukodisha yanatokana na mikataba ya muda mrefu ya upangaji inayojumuisha vifungu vya upanuzi wa kodi ya kimkataba. Kufikia mwisho wa 2024, tulikuwa na uzani wa wastani wa muda wa upangaji ambao haujaisha wa miezi 53, na wastani wa kupanda kwa kodi ya kila mwaka zaidi ya 5%. Katika mwaka huo, tuliwasilisha kwa ufanisi mradi wa

Infill Project, jengo la ghala la viwanda lenye ukubwa wa futi za mraba 45,000 lililojengwa kwa ajili ya mkaaji mmoja, kwa makubaliano ya upangaji wa miaka 12.

Mtindo wetu wa kumzingatia mteja hujenga thamani kubwa kwa wateja wetu katika maeneo manne muhimu: ubinafsishaji wa nafasi ili kukidhi mahitaji yao maalum ya uendeshaji; ufanisi wa kiutendaji na kifedha kutokana na gharama za chini za uendeshaji na makato ya kodi ya malipo ya kodi; uboreshaji wa mtaji kwa kutenga rasilimali zinazopatikana kwa biashara yao kuu badala ya biashara ya ujenzi na nyumba za kukodisha; na kubadilika kwa biashara, kuruhusu wateja wetu kukabiliana na hali ya soko inayobadilika kupitia upanuzi wa wakati.

Kwa upande wetu, tunalinda mapato ya kukodisha ya muda mrefu ya kuvutia na yanayoweza kutabirika, yanayolindwa na gharama kubwa za kubadili. Mradi wa Infill Project utasababisha ongezeko la mapato ya kukodisha kwa mwaka wa kwanza la 8%.

Faida imeongezeka kwa kiasi kikubwa katika miaka mitano iliyopita, na faida ya 2024 ambayo ilikuwa 51% ikilinganishwa na 22% iliyopatikana mwaka wa 2020. Katika mwaka wa

kifedha wa 2024, faida ilikuwa chini ya mwaka uliopita kwa 14% hasa kutokana na gharama za mara moja tulizotumia kutatua madai ya urithi na ongezeko la utoaji wa kodi ndogo ya kigeni inayoweza kurejeshwa kupitia kwa kampuni tanzu.

Tulirekodi faida ya ubadilishanaji wa fedha za kigeni ya Shilingi milioni 83.6 kwenye madeni yetu ya jumla ya Dola ya Marekani kutokana na thamani ya Shilingi ya Kenya dhidi ya Dola ya Marekani, na hivyo kuongeza faida yetu iliyoripotiwa baada ya kodi ikilinganishwa na utendaji wa mwaka uliopita, ambao ulijumuisha hasara ya fedha za kigeni ya Shilingi milioni 111.7.

Nina furaha kuripoti kwamba tulilipa mikopo yote yenye thamani ya Shilingi milioni 540.7, na hivyo kuongeza mtiririko wa pesa na kuimarisha uwezo wetu wa kunufaika na fursa za maendeleo zinazojitokeza.

Jumla ya fedha za wanahisa ziliongezeka kwa 56% hadi Shilingi milioni 736 (2023: Shilingi milioni 473), kutokana na faida katika mwaka huo.

Madeni ya sasa mwishoni mwa mwaka yalikuwa juu kuliko mali ya sasa kutokana na amana kubwa iliyolipwa kuhusiana na shughuli

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inayoendelea ya uuzaji wa ardhi.

Utendaji wetu katika mwaka huu ni kilele cha juhudi za pamoja za Bodi na usimamizi wa Kampuni ili kuweka msingi thabiti wa uundaji wa thamani endelevu kutoka kwa mali zetu za uwekezaji.

Mtazamo wa kimkakati

Katika kipindi cha miaka mitano ijayo, lengo letu litakuwa katika kuongeza kasi na kuongeza mtindo wetu wa biashara, tukiongozwa na kanuni zifuatazo:

Mbinu ya maendeleo jumuishi

Sisi ni mmoja wa watengenezaji wakubwa na wasimamizi wa mali wa mali isiyohamishika ya viwanda katika eneo letu, tunatoa zaidi ya futi za mraba 800,000 za nafasi inayoruhusiwa. Kupitia kampuni yetu tanzu ya Sameer Industrial Park Limited, tunatoa eneo lililosajiliwa kikamilifu la usindikaji wa mauzo ya nje, linalotoa motisha za kifedha na kiutawala kwa makampuni yanayolenga mauzo ya nje.

Kwa sasa tunawapangisha wapangaji wanaofanya kazi katika usambazaji na uhifadhi, utengenezaji na usindikaji wa viwanda vyepesi, na utoaji wa huduma za kidijitali ikiwa ni pamoja na utumaji wa biashara ya nje na ufafanuzi wa data ya kijasusi.

Shughuli zetu za maendeleo zitaboresha vifaa vilivyopo na zitaongozwa na mpango mkuu jumuishi unaolenga kuunda maeneo yenye kazi nyingi ambayo ni endelevu na yanayoweza kubadilika kulingana na mahitaji ya soko yanayoendelea, na kuongeza faida ya muda mrefu ya Kampuni.

Mbinu ya kuwezesha ukuaji

Kwa kuongozwa na mpango wetu mkuu wa maendeleo uliojumuishwa, maendeleo mapya yatatokana na kielelezo kilichojengwa-to-suti kwa wateja wanaotafuta mshirika

anayeaminika wa kutoa nafasi zinazofaa kwa ajili ya shughuli zao za biashara. Tunafaa kipekee kutimiza hitaji hili kwa sababu ya mtindo wetu wa biashara unaodhibitiwa ndani ambao hutuwezesha kukuza na kudhibiti kitaalamu vipengele vyote vya mahitaji ya mali isiyohamishika ya wateja wetu.

Upanuzi wa kikanda unaomzingatia mteja

Katika kipindi hiki cha kimkakati, tunalenga kupanua wigo wetu ndani ya Afrika Mashariki zaidi ya jalada letu la mali lililopo kupitia ushirikiano na wateja wanaostahili mikopo wanaohitaji majengo ya viwanda ya kukodisha ambayo yanaendana na mahitaji yao ya biashara.

Tunathamini ushirikiano wa muda mrefu na wateja wetu na uwezo wetu wa kuelewa mahitaji yao ya miundombinu utawawezesha kuwa na upanuzi mzuri usio na vikwazo.

Uboreshaji wa mtaji

Ili kusaidia ukuaji wetu, shughuli zetu za usimamizi wa mtaji zitazingatia kuhakikisha mtaji unatengwa ili kuongeza mapato huku tukipunguza hatari na ukosefu wa ufanisi. Tutatumia pesa zinazozalishwa katika Kampuni, ikiwa ni pamoja na mtazamo wa busara wa mali zisizo za msingi, ili kurejesha mtaji katika maendeleo mapya ambayo yanalingana na malengo yetu ya kimkakati na ya kurejesha fedha.

Ili kuongeza thamani ya kiwango cha mali, tutaboresha muundo, ufadhili na miundo ya kodi ili kufikia kubadilika kwa kifedha na kuboresha uendelevu wa biashara.

Hitimisho

Tunafurahia mwelekeo wetu mpya wa kimkakati na tumejitolea kikamilifu kuharakisha na kuongeza mbinu yetu ya biashara ya nyumba na ujenzi wa nyumba za kukodisha ili kuwa watoa huduma wakuu wa biashara

ya nyumba na ujenzi wa nyumba za kukodisha katika Afrika Mashariki.

Utendaji wetu katika kipindi cha kimkakati kilichopita, licha ya changamoto nyingi za nje, umetuwezesha kuunda muundo wa biashara unaobadilika na endelevu ambao utatoa uwanja thabiti ya uzinduzi kwa miaka 5 ijayo.

Kwa kuhitimisha, ninachukua fursa hii kutoa shukrani zangu za dhati kwa Bodi ya Wakurugenzi kwa usaidizi wao usioyumba, wateja wetu ambao wanaendelea kutuamini katika kutoa mahitaji yao ya biashara ya nyumba na ujenzi wa nyumba za kukodisha, washirika wetu na watoa huduma, na kwa wenzangu ambao ninapata kushiriki nao safari hii ya ajabu. Asanteni sana kwa mchango wenu.

John Mugo
Mkurugenzi Mtendaji

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OUR CORPORATE STRATEGY

Our value creating business mode

Driven by our mission and guided by our values...

We have adopted an in-house managed integrated business model...

To build a growing and resilient business...

That creates sustainable value for all our stakeholders

Our Mission

To create sustainable value from our real estate assets

Our values



Integrity

we do right, the right way



Collaboration

we work jointly with partners to achieve shared objectives



Agility

we respond and quickly adjust to market changes and client needs



Respect

we believe our partners and planet are important and should not be harmed



Excellence

we are the best at what we do

Our Business Model

Leasing management

- Credit-worthy clients
- Long-term tenancy agreements
- Built-in rent escalation
- Maximise revenue
- Reduce risk

Property management

- In-house management team
- Property maintenance & upkeep
- Timely response to clients' needs
- Cost-effective

Development management

- End-to-end development process
- Built-to-suit model
- Client collaboration
- Pre-construction lease agreement
- Optimal risk-adjusted return

Capital management

- Cash & liquidity management
- Low-risk investment income
- Accretive co-investment ventures
- Opportunistic asset dispositions
- Debt management

2024 Highlights

+461%

Profit after tax

To Ksh. 260 million

Ksh.541 Million

Loan repayment

Ksh.41 Million

Share of investee profit

(2023 - Ksh. 37 million)

95.4%

Occupancy rate

(2023 – 94%)

93%

Tenant retention

on expiring leases

+45,000 sqf

Infill project delivered

Value for clients

- Fit-for-purpose premises
- Strategic location for seamless logistics and market access
- Agile lease & property management

Value for shareholders

- Long-term lease agreements
- Diverse credit-worthy clients
- In-built rental income growth
- 56% growth in total equity of the Group

Value for government and regulators

- Ksh. 48 million income tax expense in 2024
- Rated in corporate governance leadership category by CMA
- Compliance with regulatory requirements

Value for employees

- Inclusive and healthy environment
- Learning and growth opportunities
- Private medical cover and pension scheme

RISK & OPPORTUNITIES

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Sameer Africa PLC operates in a dynamic and highly competitive environment that presents both significant risks and excellent opportunities. In line with our mission to create sustainable value from our real estate assets, the Company recognizes the critical role of proactive risk management in achieving its strategic objectives.

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The Board of Directors retains the overall responsibility for ensuring that the Company identifies, assesses, and responds to key risks that could impact our performance, reputation, and long-term viability. Guided by the Risk Management Framework, the Board continuously oversees the process of risk identification, evaluation, and mitigation, ensuring alignment with the Company’s strategic goals and compliance requirements.

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Our framework provides a structured and systematic

approach to managing uncertainties while fostering a culture of accountability and informed decision-making across all levels of the organization. Through strategic foresight, Sameer Africa is well positioned to leverage opportunities as they arise while safeguarding stakeholder interests. The Board remains committed to embedding risk awareness into corporate strategy and operational execution, ensuring resilience and agility in the face of evolving market conditions.

Sustainability Risks and Opportunities

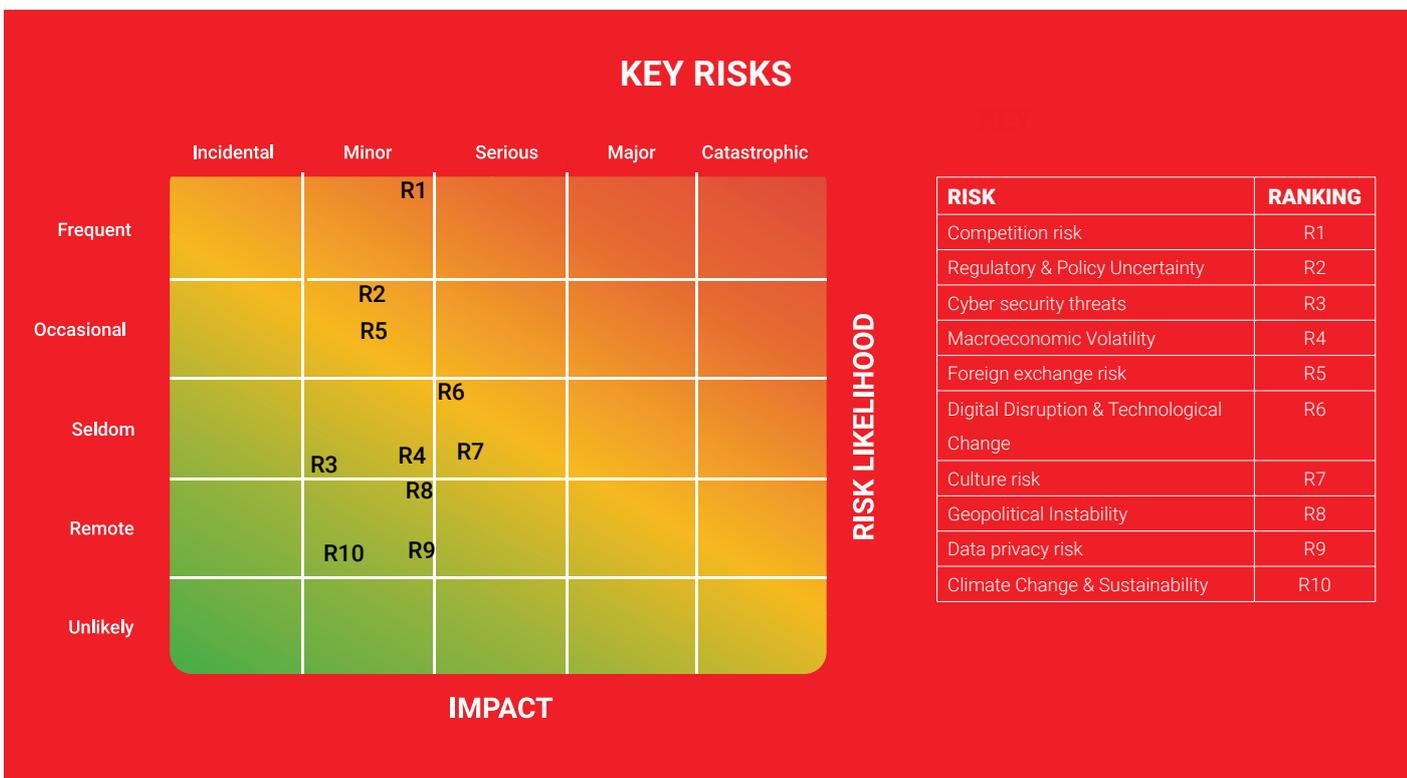
Sustainability risks and opportunities are the environmental, social, and governance (ESG) factors that can negatively or positively impact our organization’s long-term success, resilience, and value creation.

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| Sustainability risk | Sustainability opportunity |
|--|--|
| Climate Change & Physical Asset Risk | Green energy generation-solar power partnerships. Proactive and cost-efficient maintenance of legacy properties against extreme weather conditions. |
| Green Building Regulation & ESG Compliance | Access to world class tenants and sustainable finance. |
| Energy Efficiency & Decarbonization Pressures | Cost optimization in operating our real estate assets. |
| Tenant and Occupier Expectations | Long term tenancies that ensure consistency in earnings for all our stakeholders. |
| Urbanization & Land Use Conflicts Biodiversity & Environmental Impact | Presents opportunities to build a mutually beneficial ecosystem in the communities in which we operate. |

OUR STAKEHOLDER GROUPS

We have continued engaging our stakeholders and where required addressed any areas of concern that have come up. We are firm in our commitment to keep all stakeholder updated on our strategic initiatives, how we create value for them and how our actions impact them and the Company.

| Stakeholder Group | Relationship | How we engaged |
|-----------------------------------|--|---|
| Investors and Shareholders | <p>Provide the financial capital necessary for growth and new property development.</p> <p>Provide feedback on our strategic objectives and governance policies required to keep operations sustainable.</p> | <ul style="list-style-type: none"> • Annual and half-year results announcements. • Annual General Meeting where we update owners of the company on our key strategic objectives and progress. • Announcement on any material facts or changes as required by regulators. • Our website where we have an investor relations section. |
| Tenants and Occupiers | Offering best in class industrial real estate properties and the accompanying facilities management required to position their businesses for growth. | <ul style="list-style-type: none"> • Tenant engagements by senior management. • Our facilities management team. • Our digital channels including, website and social media handles. • Headquarters office support. |
| Employees | Provide the pool of talent required to optimize our business model for the benefit of all our stakeholders. | <ul style="list-style-type: none"> • In-house training opportunities. • Inclusion through monthly staff engagement meetings where we get to update staff on strategy and obtain input. • Employee surveys. • Mentorship forums. • Team building activities to entrench positive culture. |
| Communities | Our communities provide the necessary ecosystem to ensure the business remains sustainable well into the future. | <ul style="list-style-type: none"> • Direct and Indirect employment opportunities. • Engaging small and medium enterprises as part of our value chain. • Contributing to the community in which we operate through corporate social responsibility activities. |
| Government and Regulators | <p>Our regulators provide us with the necessary licenses and approvals required to operate and generate value through our business model.</p> <p>We have continued to maintain a high level of compliance with all regulators and agencies to ensure we don't suffer disruption in any part of our value chain</p> | <ul style="list-style-type: none"> • Submitting input on any proposals that are likely to impact our operations or industry. • Continuous engagement on new regulations to reaffirm compliance with any changes. • Participation in public forums initiated by regulatory agencies. • As a responsible corporate citizen we continue to contribute to the tax base with ethical and compliant business practices. |
| Industry Partners | <p>Our suppliers provide the inputs required to generate value.</p> <p>Our associations open up the business to opportunities available in industrial real estate and update us on the latest developments in our sector.</p> | <ul style="list-style-type: none"> • Annual supplier rating and prequalification. • Physical and virtual meetings, webinars. • Industry events, forums and masterclass. • Annual subscriptions to associations resources. |

GOVERNANCE

Board of Directors

Our board of directors promotes sound corporate governance and provides the leadership that makes this possible. Sameer Africa has a strong board that comprises of members with appropriate skills and experience.

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Engineer Erastus Mwangera
 Chairman (Non-Executive)
 Appointed: 23 July 2010

Eng Mwangera is a Civil Engineer by profession, a Registered Consulting Engineer, Fellow of the Institution of Engineers of Kenya, Chairman of Engineers Board of Kenya and Chairman of Eminent Engineers Forum. He is a board member of Federation of Kenya Employers and Honorary Secretary of Automobile Association of Kenya. Eng Mwangera is a consultant specialising in

engineering, leadership, management and strategic planning.

Eng Mwangera has a distinguished career in both public and private sectors spanning over forty years. He started his career in the water sector where he rose through the ranks to be Principal of Kenya Water Institute and Director of Water Development for a combined period of twelve years. He served as Permanent Secretary in the Office of the Vice President; Ministry of Home affairs; Ministry of Lands and Housing; Ministry of Roads, Public Works and Housing;

Ministry of Water Resources; and Ministry of Land Reclamation, Regional and Water Development for a period of twelve years before retiring from the Civil Service in December 2005. Engineer Erastus Mwangera has served in other capacities including chairman in the boards of Kenya Airports Authority, Kenya National Highways Authority, Linksoft Group

Limited, Fountain Enterprise Program

Holdings, Karen and Hillside Green Growers and Exporters; a board member of National Social Security Fund, National Bank of Kenya, National Aids Control Council, Kenya Private Sector Alliance; and a member of the Ad Hoc Taskforce on Performance Contracting.

Eng Mwangera is actively engaged in social responsibility where he has served in his Church (Nairobi Baptist Church) as elder and Chairman of Elders Court; Karen and Langata District Association as Chairman; and currently serving as director of Leadership Foundation of Kenya; and Chairman of Tanari Trust Board and Karen and Langata Trustees Board.

Eng Mwangera is the Chairman of the Board of Directors of Sameer Africa PLC and also a member of Nominations and Remuneration Committee.



John Mugo
 Managing Director (Executive)
 Appointed: 1 January 2023

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IODK).

Mr. Mugo is a seasoned business leader with over twenty (20) years of managerial and executive leadership experience. He has executed transformation and growth leadership

roles at various companies, having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.



Peter M. Gitonga
 Director (Non-Executive)
 Appointed: 1 January 2023

Peter has previously served in various capacities at senior management level in Sameer Africa. He holds a Bachelor of Science Degree in Business Administration and a Master of Science in Strategic Management from the United States International University (USIU).

Peter is a member of the Institute of Directors of

Kenya, Chairman of Excel Girls High School and a Board member of Abothuguchi Secondary School.

Peter is a member of the nominations and remuneration and the finance and investment committee of the board.

Dr. Lydia Muthoni Mbuthia
 Director (Independent Non-Executive)
 Appointed: 4 May 2017



Lydia holds a PhD in Commerce from Nelson Mandela Metropolitan University (NMMU), South Africa, an MBA (Finance) and a Bachelor of Education (Science) from Kenyatta University.

She is a qualified accountant and a member of The Association of Chartered Certified Accountants. Lydia is also a member of The Kenya Institute of Management and The Institute of Directors of Kenya.

She has previously served in various

capacities at Catholic University of Eastern Africa (CUEA) including Director of University Advancement and University Examinations Officer. Lydia also served as Chair of the University's Advancement Advisory Board. She has published several books and articles in refereed journals.

Lydia is the chair of the audit risk and corporate governance committee of the board and a member of the finance, strategy and investments committee.

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Sameer N. Merali
 Director (Non-Executive)
 Appointed: 22 November 2012



Sameer holds a Master of Science degree in Banking and International Finance and a BSc (Hons) in Management Science. Sameer initially worked with Merrill Lynch International Bank Limited in the United Kingdom as an Investment Analyst between October 2000 and February 2003 and joined Sameer Investments Limited in March 2003.

He is the Chairman of Ryce East Africa

Limited and Nandi Tea Estates Limited. He is the Chief Executive Officer of Sameer Investments Limited and a Director of Sasini PLC, a company listed on the Nairobi Securities Exchange.

Sameer is a member of the finance and investments committee and audit risk and corporate governance committee of the board.

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Patricia Kiwanuka
 Director (Independent Non-Executive)
 Appointed: 6 May 2024



Patricia Kiwanuka is a seasoned expert with over 20 years of experience in investment, governance, and behavioral psychology. As Managing Director of Revenu Stream Limited, she delivers financial wellness programs (money therapy) specifically tailored for individuals and families. She also supports pension funds and corporations in developing sustainable strategies for growth and financial resilience. Recognized as a thought leader, she frequently speaks at regional and international forums.

Patricia serves on several prominent boards including AAR Insurance Kenya, WPP Scanad, Sameer Africa Plc, and is a Council Member at

USIU-Africa. Additionally, Patricia is a recipient of the Order of the Golden Warrior (OGW), a charter member of Rotary Club of Upper Hill, and a Paul Harris Fellow (PHF+3).

A CFA® Charterholder, Patricia is a member of CFA Institute-USA, the Institute of Internal Auditors (IIA-K), and the Institute of Directors. She holds an MBA in Finance, a Master's in Counseling Psychology, and a BSc in Actuarial Science/Statistics. She is a duly licensed Counselling Psychologist by the Ministry of Health C&P Board (K) and American Counselling Association.

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Akif H. Butt
 Director (Non-Executive)
 Appointed: 24 July 2008



Akif is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant of Kenya (CPA (K)) and has a wealth of experience in financial management, corporate planning and strategic management. He previously worked with PricewaterhouseCoopers in Kenya and the East Africa region, Liberia and England. He joined the Sameer Group in 1989 and is currently the Group's Finance Director. He represents the

interests of the Sameer Group on the boards of various companies.

Akif is the Chair of the Finance, Strategy and Investments Committee of the Board. He is also a Director of Sasini PLC and Eveready East Africa PLC, which are both quoted on the Nairobi Securities Exchange.

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John Mugo - Managing Director

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IODK).

Mr. Mugo is a seasoned business leader with over twenty (20) years of managerial and executive leadership experience. He has executed

transformation and growth leadership roles at various companies, having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.

OUR BUSINESS



Benard Ndirangu - Head of Operations & Strategy

Benard is responsible for leading the financial operations, supply chain management and executing the Company's strategy.

Benard joined the company in August 2013 as the Manager-Management Accounting. Previously, he headed the finance department at Booth Extrusions Limited, a part of the Comcraft Group. Prior to Booth

Extrusions Limited, Benard held various finance roles in ARM Cement Ltd.

Benard holds a Bachelor of Commerce degree (Accounting & Finance) from Strathmore University.

He is a Certified Public Account-CPA (K) and a member of the institute of Certified Public Accountants of Kenya.

OUR PERFORMANCE



Jones Mutinda - Head of Property

Jones is the Head of Property, a division of Sameer Africa PLC that endeavors to maximize net income through increasing rental income, minimizing operating expenses and arrears in the company leased properties which include the Sameer Ex-factory Complex, Sameer Industrial Park, Sameer EPZ Limited among other properties within the country.

Jones joined the company in January 2022 from New Kenya

Co-operative Creameries Limited (New KCC) where he was in charge of the company's land, investments and property portfolio since 2016.

Jones is a Registered Valuer by the Valuers' Registration Board (VRB) and also a Full Member of the Institution of Surveyors of Kenya (ISK). He holds a First Class Degree in Land Economics from the University of Nairobi, and a Master of Arts Degree in Valuation and Property Management from the same university.

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Violet Maranga - Legal Officer

Violet holds a Bachelor of Laws (LL.B) and a Master of Laws (LL.M) with a specialization in Corporate Governance, both from the University of Nairobi. She also holds a Post Graduate Diploma in Law from the Kenya School of Law.

She is a Certified Professional Mediator from the Mediation Training Institute (MTI) and a member of the Law Society of Kenya (LSK).

Before joining the Company, Violet gained valuable experience working at a law firm.

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Misiga Onkundi - Head of Internal Audit and Risk

Misiga is responsible for evaluating and monitoring the adequacy of internal controls, risk management processes and corporate governance in order to safe guard company assets and business performance. Misiga joined the company in October 2014 in credit control department. He became Internal Auditor in September 2016 a position he has held since then.

He previously worked with Unga Group Plc for 4 years.

Misiga is a graduate with a degree in Business Administration from USIU-A, Certified Public Accountant (CPA), a member of Institute of Certified Public Accountants (ICPAK) and also a member of the Institute of Internal Auditors Kenya (IIA-Kenya).

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Alice Okutah- Human Resources Officer

Alice joined Sameer Africa PLC in December 2022. Prior to joining the company, she served as a HR professional at Vegpro Kenya Ltd, where she was in charge of HR services. Alice is a seasoned Human Resource Practitioner with expertise in building employee-centric cultures, strategic human resource support systems and promoting positive morale.

She holds a Higher National Diploma and Diploma in Human Resources Management from CHRM and is a Certified Human Resource Professional as well as a member of the Institute of Human Resource Management (IHRM). With a diverse background across Service, Manufacturing, Health Care, and Agricultural sectors, Alice brings a wealth of knowledge and skills to her role.

OUR GOVERNANCE STATEMENT

Sameer Africa PLC's governance statement for 2024 affirms our commitment to upholding the highest standards of corporate governance. The Board of Directors, guided by a robust framework, ensures transparency, accountability, and ethical conduct across all our operations. Key initiatives included enhancing Board diversity, strengthening risk management practices, and promoting sustainable business strategies. The governance practices align with regulatory requirements and best practices, fostering stakeholder trust and long-term value creation.

Board of Directors

The roles, responsibilities, structures and processes of the Board of Sameer Africa PLC are set out in the Board of Directors Charter. The Charter defines corporate governance, its purpose, the importance and outlines principles such as Leadership, Sustainability and Corporate Citizenship.

The Charter also outlines the authority, rights and duties of the shareholders to ensure equitable treatment of all shareholders including the minority.

For the Board's size and composition, a formal and transparent procedure is followed in the appointment of members. The Nominations and Remuneration Committee is mandated by the Board to be responsible for proposing new nominees for appointment to the Board and in assessing performance and effectiveness.

The Charter designates matters which are reserved for decision by the Board, such as: Strategy issues, Financial matters, Statutory and Administrative, Regulatory matters and Human resource. The Charter sets out that remuneration of the Directors is to be reviewed by the Nominations and Remuneration Committee and approved by the Board and a detailed report including the Company's remuneration policy should be published in the annual report.

The role of the Board is to provide leadership and strategic guidance to the Company and its related subsidiaries, in addition to overseeing Management's implementation of the Company's strategic initiatives.

The Board is accountable to shareholders for the performance of the Company's businesses. The Board approves the strategic direction of the Company and significant corporate strategic initiatives, the Company's annual targets and financial statements and monitors the financial performance against forecast and prior periods.

The Board appoints one of its members as the Chairman of the Board. The functions of the Chairman include: leading the Board in oversight of Management, chairing Board meetings and setting objectives to be achieved by the Board both in long and short-term.

The Managing Director is appointed by the Board and his role is stipulated as leading the Management and taking a hands-on role in the Company's day to day management to oversee all the operational aspects involved in running the company.

The Company's Secretary provides guidance to the Board on its duties and responsibilities and on other matters of governance, assists in the coordination of the Board evaluation exercise and the governance audit process, records, maintains and distributes the minutes of all Board and Board Committee meetings and handles all of the Company's legal matters and legal compliance audits.

Board Structure and Diversity

The Board of Directors is composed of 7 members. There are 6 non-executives and one executive. Out of the 6 non-executives, 2 are independent. The Board is diversified and is composed of 5 men and 2 women.



5 Men



2 Women

Board Committees

The Board has also established Committees to assist it in exercising its authority and establish (and may amend) Committee Charters for each Committee. The standing Board Committees are:

- Board Audit, Risk and Corporate Governance Committee
- Board Nominations and Remuneration Committee
- Board Finance, Strategy and Investment Committee

The Board's independence definition is prescribed under the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 and the Capital Markets (Public Offers, Listings and Disclosures) Regulations 2023. The Board is required to assess the independence of Directors upon appointment and to review the independence of members annually. The tenure of independent Board members is also not to exceed a cumulative term of nine years.

The Charter affirms that the Board is to undertake ongoing assessments and reviews of performance of the Board, its Committees, the performance of the Managing Director, Company Secretary and individual Director annually. The Board is to ensure regular governance audits are carried out to confirm the Company is operating on sound governance practices. A legal and compliance audit is also to be carried out every two years. The Board is to disclose in its annual report whether evaluations have been undertaken.

The Board is mandated to ensure that the Company acts and is seen to be a responsible corporate citizen. The Board, in addition

OUR GOVERNANCE STATEMENT (...CONTINUED)

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to being responsible for corporate performance is responsible for the triple bottom line, consisting of: Economic, Social and Environmental. Good corporate citizenship should also be integrated into the culture of the Company.

In the Charter, the Board members are expected to observe the highest standards of ethical behavior.

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The Board does this by supporting, encouraging and adopting policies which require Directors and Employees to observe high standards of personal integrity and display honesty in their dealings. These policies include a Code of Ethics and Conduct and a policy on Conflict of Interest, amongst others.

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The Directors are also expected to avoid any action, position or interest that conflicts with an interest of Sameer Africa PLC, or gives the appearance of a conflict. A Director that has a material personal interest in a matter that relates to the affairs of Sameer Africa PLC must give the other Directors notice of such interest. The Company Secretary is required to maintain a register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

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The Board is responsible for the process of risk management. The Board decides on the Company's appetite for risk and the company's ability to bear the consequences of risk.

Under the Charter, the Board ensures that the Company implements an effective compliance framework and process. The Company's compliance policy and procedures are developed by Management and approved by the Board.

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The Board is required to take account of the legitimate interests of stakeholders in its decisions. On an annual basis the Company reports on its dealings with stakeholders.

Board Committees

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The Audit, Risk and Corporate Governance Committee

The Audit, Risk and Corporate Governance Committee is established by the Board of Directors of the Company to assist in fulfilling its responsibilities for internal controls, risk management, corporate governance, compliance with laws and regulations and oversight of internal and external audit and the risk management function.

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The Charter sets out the purpose, authority, structure and membership, compliance, duties and responsibilities of the Committee, risk management and corporate governance. The Charter is reviewed by the Committee and updated every three (3) years to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

The Nominations and Remuneration Committee

The nominations and remuneration committee assist the Board in addressing issues pertaining to remuneration levels and employee

development and motivation.

They also ensure that the correct incentives and reward mechanisms are in place at the highest levels of the Company, whilst maintaining the principles of equity and appropriateness of compensation and act as the custodian of a systematic and transparent process for bringing new Directors on to the Board and for proposing appointments to Board Committees.

Finance, Strategy and Investment Committee

The Finance Strategy and Investment Committee assists the Board in reviewing the financial plans, budgets and strategies of the Company. The Committee works with Management to examine and strengthen the quality of financial planning, reporting, strategy implementation and evaluation. The Finance, Strategy and Investment Committee Charter sets out the purpose, authority, structure and membership, term duration, duties and responsibilities of the Committee and the annual committee goals. The Charter is reviewed by the Finance, Strategy and Investment Committee of the Board and updated every three (3) years to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.



AUDIT RISK AND CORPORATE GOVERNANCE COMMITTEE

The Audit, Risk, and Corporate Governance Committee of Sameer Africa PLC played a pivotal role in overseeing the company's financial integrity, risk management practices, and adherence to corporate governance standards during the year. In addition, the committee supported management in identifying and mitigating key risks during the period.

Composition of the Committee

- Dr. Lydia M. Mbuthia (Chairlady)
- Mr. Sameer N. Merali
- Ms. Mary Ngatia (Resigned 6th May 2024)
- Ms. Patricia Kiwanuka (Appointed 6th May 2024)

Committee activities in 2024

During the year, the Committee undertook the following activities:

| Area | Activities |
|---|---|
| Risk Management and Internal Audit | <p>In compliance with the risk framework the Committee reviewed and documented the key board risks to effective oversight faced by Sameer Africa PLC board.</p> <p>The Committee reviewed and approved the internal audit plan for the year that was tailored to address potential risk areas while ensuring compliance to internal policies and procedures.</p> <p>The Committee reviewed the quarterly reports on ongoing legal cases and provided recommendations for mitigating legal claims.</p> |
| Governance | <p>The Committee reviewed and considered the progress on the Governance Audit Implementation Matrix for 2024.</p> <p>The Committee reviewed the compliance register against the relevant laws and regulations.</p> |
| Regulatory Environment | <p>The Committee reviewed the Data Protection and Privacy audit report and approved recommendations that ensure compliance with the Data Protection Act (DPA) Kenya.</p> <p>The Committee approved the development of a data protection and privacy policy.</p> |
| ICT Environment | <p>The Committee reviewed the reports on the ICT environment and consistently engaged management on implementation of recommendations.</p> <p>The committee also reviewed and monitored the compliance of the ICT environment with emerging cybersecurity regulations, including alignment with Cybersecurity Framework and ISO 27001 standards.</p> |

Committee activities in 2024 (Continued)

| Area | Activities |
|--|--|
| External Audit and Financial Reporting | <p>The Committee considered and reviewed the external auditors' appointment and fees. The Committee evaluated the auditors' qualifications, expertise, and experience to ensure their suitability for the organization's needs.</p> <p>The Committee also reviewed and approved the scope of the current year's audit engagement.</p> <p>The Committee received and discussed the key audit matters highlighted by the external auditor. These discussions provided insights into significant audit findings and the auditors' assessment of the company's financial statements.</p> <p>The Committee reviewed and considered the implementation and closure of key audit matters raised by both the internal and external auditors. This review ensured that management adequately addressed the audit findings and implemented corrective actions.</p> |
| Environmental, Social, Governance (ESG) Risks | <p>The Committee reviewed the compliance register to ensure alignment with ESG disclosure requirements under the Nairobi Securities Exchange (NSE) guidelines.</p> <p>The Committee reviewed sustainability initiatives, including energy efficiency programs in real estate operations.</p> <p>The committee also reviewed ESG risks, including environmental impacts, labor practices and ethical conduct.</p> |

Attendance to Main Board and Committee meetings

| Members | Role | | Board | ARCGC | NRC | FSIC |
|---|-------------------|------------|-------|-------|-----|------|
| Eng. Erastus Mwangera | Chairman | Membership | Y | - | Y | - |
| | | Attendance | 4/4 | - | 4/4 | - |
| Dr. Lydia Mbutia | Chair-ARCGC | Membership | Y | Y | - | Y |
| | | Attendance | 4/4 | 5/5 | - | 5/5 |
| Patricia Kiwanuka (appointed 6th May 2024) | Chair-NRC | Membership | Y | Y | Y | - |
| | | Attendance | 3/4 | 2/5 | 2/4 | - |
| Akif Butt | Chair-FSIC | Membership | Y | - | - | Y |
| | | Attendance | 4/4 | - | - | 5/5 |
| Sameer Merali | Board member | Membership | Y | Y | - | Y |
| | | Attendance | 4/4 | 4/5 | - | 5/5 |
| Peter Gitonga | Board member | Membership | Y | - | Y | Y |
| | | Attendance | 4/4 | - | 4/4 | 5/5 |
| Mary Ngatia (resigned 6th May 2024) | Chair-NRC | Membership | Y | Y | Y | - |
| | | Attendance | 1/4 | 3/5 | 2/4 | - |
| John Mugo | Managing Director | Membership | Y | - | - | - |
| | | Attendance | 4/4 | 5/5 | 4/4 | 5/5 |

ARCGC Audit, Risk and Corporate Governance Committee

NRC Nominations and Remuneration Committee

FSIC Finance, Strategy and Investments Committee

OUR GOVERNANCE SCORE CHART

The Corporate Governance assessment of Sameer Africa PLC, conducted by the Capital Markets Authority (CMA), is a comprehensive evaluation of the company's continuous journey in corporate governance. This assessment aims to ensure transparency, accountability, and integrity in the company's operations, while aligning its practices with regulatory standards. The CMA's evaluation examines the structure, policies, and processes that guide the company's leadership and management, focusing on risk management, financial reporting, shareholder rights, and board independence. The results of this assessment will provide valuable insights to stakeholders and reinforce Sameer Africa PLC's commitment to robust corporate governance standards.



71%

Commitment to good corporate governance



76%

Board operations and control



60%

Rights of shareholders



53%

Stakeholder relations



88%

Ethics and social responsibility



80%

Accountability, risk management and internal control



80%

Transparency and disclosure

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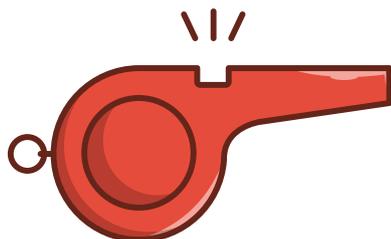
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OUR WHISTLE BLOWING POLICY

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An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they become aware, or reasonably believe that others are not meeting the expected standards in business ethics.

We have an ethics email: whistleblowing@sameerafrica.com through the email, anonymous reports on unethical/suspicious activity can be made without fear of retaliation from the suspected individuals.

OUR BUSINESS

Our whistle blowing policy is fundamental to our professional integrity and reinforces the Group's core values of ICARE. The objectives of the policy are summarized below:

- To give employees, shareholders, customers, vendors, and other stakeholders a platform whereon they can raise their concern against any wrongdoing done by the company.
- To protect employees against retaliation due to whistle blowing policy.
- To identify and mitigate any risk or potential risks.
- To keep employees vigilant on our core values.
- To encourage inclusivity by giving each employee authority to raise concerns.

The key aspects of the policy include:

- Anonymity
- Good faith
- Confidentiality

The whistleblowing policy has been uploaded on the Company's website.

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DIRECTORS' REPORT

The directors have the pleasure of presenting their report together with the audited financial statements for the year ended 31 December 2024, which discloses the state of affairs of the Group and the Company.

1. Principal activities

The principal activities of the Group are the letting of investment property.

2. Results

The results for the year are set out on page 34 and 35.

3. Dividend

The directors do not recommend the payment of a dividend (2023 – Nil).

4. Directors

The directors who held office during the year and to the date of this report are set out on page 2.

5. Business overview

The Group recorded a significant improvement in profit after tax compared to prior year, mainly due to the impact of the appreciation of Kenya Shilling against the United States Dollar on USD denominated liabilities. Included in the net finance income figure in 2024 is unrealized net foreign exchange gain of Kshs 83.6 million.

Operating profit was 14% lower than prior year on account of higher expenses and provision for tax recoverable in a foreign subsidiary.

During the year, the Group fully repaid its borrowings, resulting in lower interest expense.

Total shareholders' funds increased by 56% from Kshs 473 million in 2023 to Ksh 736 million in 2024.

The information on management of risks facing the business is disclosed in Note 5 to the financial statements.

6. Relevant audit information

The Directors in office at the date of this report confirm that:

- (i) There is no relevant audit information of which the Group's auditor is unaware; and
- (ii) Each director has taken all the steps that they ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

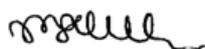
7. Auditors

RSM Eastern Africa LLP having expressed their willingness, continues in office in accordance with Section 721 of the Companies Act. The Directors approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KShs 2,352,000 has been charged to profit or loss in the year.

8. Approval of financial statements

The financial statements were approved and authorized for issue at a meeting of the directors held on 10 April 2025.

BY ORDER OF THE BOARD



Millicent Ngetich
COMPANY SECRETARY

Date: 10 April 2025

DIRECTORS' REMUNERATION REPORT

A. Non-auditable section of the Directors Remuneration Report

This report covers the remuneration governance arrangements and the remuneration outcomes for the executive director, non-executive directors and other members of the executive committee. The report fulfils the disclosure requirements under the Companies Act and the Capital Markets Authority (CMA) Code and Listing Rules.

Details of directors' remuneration in 2024, namely remuneration paid to directors and executive management during 2024 are included in page 28.

The remuneration policy

Aligning the interests of the executive directors with those of shareholders and with group's strategic goals is central to Sameer Africa Plc's remuneration policy.

In line with shareholders' interests being managed within a robust governance framework, the company aims to retain and incentivise high calibre executive directors and senior management by paying competitive base salary and benefits, together with a short-term annual bonus and terminal benefits.

Non-executive directors' remuneration policy

Non-executive directors have formal letters of appointment. These do not contain any notice provisions or provision for compensation in the event of early termination. Non-executive directors are encouraged to build a shareholding in the company.

The main elements of remuneration for non-executive directors are:

- Fees
- Sitting allowances
- Medical insurance

B. Auditable section of the Directors Remuneration Report

The table below provides an analysis of the emoluments paid to the executive and non-executive directors.

| | 2024 KShs' 000 | 2023 KShs' 000 |
|--|---------------------------------|---------------------------------|
| Executive Director's emoluments | 18,480 | 16,800 |
| Non-Executive Directors' fees and sitting allowances | 7,084 | 6,940 |
| Total 30 (b) iii | 25,564 | 23,740 |

BY ORDER OF THE BOARD



Millicent Ngetich
COMPANY SECRETARY
Date: 10 April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate financial statements of Sameer Africa Plc set out on pages 34 to 107 which comprise the Consolidated and Company statements of financial position at 31 December 2024, Consolidated and Company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Companies Act the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Group and Company for that year. It also requires the Directors to ensure the Company and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and the Company and of the Group's profit or loss.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not be a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approval of the financial statements

The financial statements, as indicated above, were approved and authorised for issue by the board of directors on 10 April 2025.



Eng. Erastus Kabutu Mwangera
FIEK, RCE, CBS
Chairman



John Mugo
Managing Director

Date: 10 April 2025

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**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF SAMEER AFRICA PLC**



RSM Eastern Africa LLP
 Certified Public Accountants
 1st Floor, Pacis Centre, Slip Road
 Off Waiyaki Way, Westlands
 P.O. Box 349 - 00606, Nairobi, Kenya

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Opinion

We have audited the accompanying financial statements of Sameer Africa PLC (“the Company”) and its subsidiaries (together, “the Group”), set out on pages 34 to 107, which comprise, for both the Group and the Company, the balance sheet as at 31st December 2024, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2024 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)**



Key Audit Matters (continued)

| Key audit matter | How the matter was addressed |
|--|---|
| Valuation and existence of trade and other receivables | <p>Trade and other receivables constitute a significant portion of the total assets of the Group and Company. The profile of the customers who constitute the trade receivables balance varies in character and risk. Amounts due from customers may be outstanding for long periods of time before being received by the Group and Company thus potentially exposing the Group and Company to impairment losses.</p> <p>The Group and Company have also to comply with IFRS 9 which involves significant judgement and estimates from management.</p> <p>Our procedures performed included the following:</p> <ul style="list-style-type: none"> • Reviewed the expected credit loss (ECL) model for compliance with the principles of IFRS 9; • Tested the ageing of trade receivables, reviewing the data and assumptions made by management in arriving at the provisions; • Examined the historical recovery records and current credit status of customers; and • Performed alternative procedures where confirmations were not received by checking subsequent receipts from customers after the year end. |
| Disclosure of fair value of investment property | <p>The Group had investment property as at 31 December 2024 for which the fair value disclosure is required.</p> <p>The valuation of investment property depends on certain key assumptions that require significant management judgement.</p> <p>Our procedures in relation to the key assumptions used in management's valuation of investment property held by the Group's included:</p> <ul style="list-style-type: none"> • Evaluating the independent valuers' competence, capabilities and objectivity; and • Checking the accuracy of the input data, on a sample basis, used by the independent valuers including rental income, occupancy rates and risk margins by agreeing them back to management's records, invoices received or other supporting documentation including: key terms of lease agreements, rental income schedules; and prevailing market rents to leasing transactions of comparable properties. |

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)



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Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Companies Act as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OUR BUSINESS

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

OUR PERFORMANCE

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)



- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's Consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's responsibilities for the audit of the financial statements

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Companies Act (the Act)

In our opinion,

- the information given in the report of the directors on pages 27 and 28 is consistent with the financial statements; and
- the auditable part of the directors' remuneration report has been properly prepared in accordance with the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Elvis Ogeto Practising Certificate No. 2303.

for and on behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi

10 April 2025
0115/2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 KShs'000 | 2023 KShs'000 |
|---|------------|------------------|------------------|
| Revenue | 8 | 389,478 | 390,498 |
| Cost of sales | 9 (b) (i) | (15,955) | (34,483) |
| Gross profit | | 373,523 | 356,015 |
| Other operating income | 9 (a) | 1,131 | 23,844 |
| Selling and distribution costs | 9 (b) (ii) | (10,572) | (7,621) |
| Administrative expenses | 9 (b) (ii) | (79,477) | (73,127) |
| Other operating expenses | 9 (b) (ii) | (86,527) | (68,174) |
| Operating profit | | 198,078 | 230,937 |
| Finance income | 10 | 199,114 | 30,865 |
| Finance costs | 10 | (130,360) | (171,656) |
| Share of profit of equity accounted investees (net of income tax) | 19 (a) | 41,147 | 37,247 |
| Profit before income tax | | 307,979 | 127,393 |
| Income tax expense | 11 (a) | (48,081) | (81,058) |
| Profit for the year | | 259,898 | 46,335 |
| Other comprehensive income (net of tax) | | | |
| (a) Items that are or may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation differences for foreign operations | | 3,050 | (3,877) |
| Total other comprehensive income/(loss) for the year | | 3,050 | (3,877) |
| Total comprehensive profit for the year | | 262,948 | 42,458 |
| Earnings per share: | | | |
| Basic and diluted (KShs) | 12 (a) | 0.93 | 0.17 |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 KShs'000 | 2023 KShs'000 |
|---|------------|------------------|------------------|
| Revenue | 8 | 308,818 | 324,798 |
| Cost of sales | 9 (b) (i) | (10,969) | (30,385) |
| Gross profit | | 297,849 | 294,413 |
| Other operating income | 9 (a) | 974 | 9,388 |
| Selling and distribution costs | 9 (b) (ii) | 26,250 | (7,621) |
| Administrative expenses | 9 (b) (ii) | (15,396) | (56,264) |
| Other operating expenses | 9 (b) (ii) | (65,468) | (53,559) |
| Operating profit | | 244,209 | 186,357 |
| Finance income | 10 | 325,528 | 13,676 |
| Finance costs | 10 | (112,315) | (155,985) |
| Profit before income tax | | 457,422 | 44,048 |
| Income tax expense | 11 (a) | (29,762) | (62,796) |
| Profit/(loss) for the year | | 427,660 | (18,748) |
| Other comprehensive income (net of tax) | | | |
| Total other comprehensive income for the year | | - | - |
| Total comprehensive income/(loss) for the year | | 427,660 | (18,748) |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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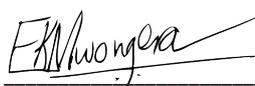
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | Note | 2024 KShs '000 | 2023 KShs '000 |
|--------------------------------------|--------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 (a) | 12,669 | 12,747 |
| Investment properties | 15 (a) | 899,170 | 776,571 |
| Prepaid operating lease rentals | 17 (a) | 322 | 326 |
| Investment in associate | 19 | 268,231 | 227,084 |
| Total non-current assets | | 1,180,392 | 1,016,728 |
| Current assets | | | |
| Inventories | 20 | - | - |
| Non-current assets held for sale | 16 | 15 | 15 |
| Trade and other receivables | 21 | 236,415 | 274,453 |
| Current income tax | 11 (c) | 43,376 | 36,908 |
| Cash and cash equivalents | 22 | 61,101 | 154,992 |
| Total current assets | | 340,907 | 466,368 |
| TOTAL ASSETS | | 1,521,299 | 1,483,096 |
| EQUITY | | | |
| Share capital | 23 (a) | 1,391,712 | 1,391,712 |
| Retained earnings | | (481,007) | (740,905) |
| Translation reserve | 23 (b) | (175,130) | (178,180) |
| Total equity | | 735,575 | 472,627 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 24 (a) | - | 540,692 |
| Deferred income tax | 25 (b) | 16,417 | 12,060 |
| Total non-current liabilities | | 16,417 | 552,752 |
| Current liabilities | | | |
| Trade and other payables | 26 (a) | 766,813 | 457,681 |
| Current income tax | 11 (c) | 2,494 | 36 |
| Total current liabilities | | 769,307 | 457,717 |
| Total liabilities | | 785,724 | 1,010,469 |
| TOTAL EQUITY AND LIABILITIES | | 1,521,299 | 1,483,096 |

The financial statements on pages 34 to 108 were approved and authorised for issue by the Board of Directors on **10 April 2025**



Eng. E.K. Mwangera
Chairman



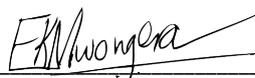
John Mugo
Managing Director

The notes set out on pages 42 to 108 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | Note | 2024 KShs '000 | 2023 KShs '000 |
|--------------------------------------|--------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 (a) | 11,253 | 10,988 |
| Investment properties | 15 (a) | 761,858 | 640,833 |
| Prepaid operating lease rentals | 17 (a) | 322 | 326 |
| Investment in subsidiaries | 18 | 120,000 | 120,000 |
| Equity accounted investees | 19 | 137,026 | 137,026 |
| Total non-current assets | | 1,030,459 | 909,173 |
| Current assets | | | |
| Inventories | 20 | - | - |
| Non-current assets held for sale | 16 | 15 | 15 |
| Trade and other receivables | 21 | 402,217 | 301,269 |
| Current income tax | 11 (c) | 24,880 | 17,737 |
| Cash and cash equivalents | 22 | 60,190 | 106,378 |
| Total current assets | | 487,302 | 425,399 |
| TOTAL ASSETS | | 1,517,761 | 1,334,572 |
| EQUITY | | | |
| Share capital | 23 (a) | 1,391,712 | 1,391,712 |
| Retained earnings | | (783,639) | (1,211,299) |
| Total equity | | 608,073 | 180,413 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 24 (a) | - | 540,692 |
| Amounts due to subsidiaries | 26 (a) | 250,994 | 268,532 |
| Total non-current liabilities | | 250,994 | 809,224 |
| Current liabilities | | | |
| Trade and other payables | 26 (a) | 658,694 | 344,935 |
| Total current liabilities | | 658,694 | 344,935 |
| Total liabilities | | 909,688 | 1,154,159 |
| TOTAL EQUITY AND LIABILITIES | | 1,517,761 | 1,334,572 |

The financial statements on pages 34 to 108 were approved and authorised for issue by the Board of Directors on **10 April 2025**



Eng. E.K. Mwongera
Chairman



John Mugo
Managing Director

The notes set out on pages 42 to 108 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

| 2024 | Share capital KShs'000 | Accumulated losses KShs'000 | Translation reserve KShs'000 | Total KShs'000 |
|--|---------------------------|--------------------------------|---------------------------------|-------------------|
| At start of year | 1,391,712 | (740,905) | (178,180) | 472,627 |
| Comprehensive income For the year | | | | |
| Profit for the year | - | 259,898 | - | 259,898 |
| Other comprehensive income | - | - | 3,050 | 3,050 |
| Total comprehensive income | - | 259,898 | 3,050 | 262,948 |
| At end of year | 1,391,712 | (481,007) | (175,130) | 735,575 |
| 2023 | | | | |
| At start of year | 1,391,712 | (787,240) | (174,303) | 430,169 |
| Comprehensive income For the year | | | | |
| Profit for the year | - | 46,335 | - | 46,335 |
| Other comprehensive loss | - | - | (3,877) | (3,877) |
| Total comprehensive income | - | 46,335 | (3,877) | 42,458 |
| At end of year | 1,391,712 | (740,905) | (178,180) | 472,627 |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

| | Share capital KShs'000 | Accumulated losses KShs'000 | Total KShs'000 |
|--|---------------------------|--------------------------------|-------------------|
| 2024 | | | |
| At start of year | 1,391,712 | (1,211,299) | 180,413 |
| Comprehensive income For the year | | | |
| Profit for the year | - | 427,660 | 427,660 |
| Total comprehensive income | - | 427,660 | 427,660 |
| At end of year | 1,391,712 | (783,639) | 608,073 |
| 2023 | | | |
| At start of year | 1,391,712 | (1,192,551) | 199,161 |
| Comprehensive income For the year | | | |
| Loss for the year | - | (18,748) | (18,748) |
| Total comprehensive income | - | (18,748) | (18,748) |
| At end of year | 1,391,712 | (1,211,299) | 180,413 |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 KShs'000 | 2023 KShs'000 |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | 27 | 863,622 | 407,691 |
| Cash payments for purchases | 27 | (31,986) | (28,814) |
| Cash payments for expenses | 27 | (183,819) | (107,573) |
| Cash generated from operating activities | | 647,817 | 271,304 |
| Interest paid | 10 | (21,319) | (38,157) |
| Income tax paid | 11(c) | (50,594) | (84,774) |
| Net cash generated from operating activities | | 575,904 | 148,373 |
| Cash flows from investing activities | | | |
| Interest received | 10 | 6,467 | 9,033 |
| Purchase of property, plant and equipment | 13 (a) | (1,951) | (877) |
| Additions to investment property | 15 (a) | (136,477) | (144,411) |
| Net cash used in investing activities | | (131,961) | (136,255) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | 24 (a) | (540,692) | - |
| Net cash used in financing activities | | (540,692) | - |
| (Decrease)/increase in cash and cash equivalents | | (96,749) | 12,118 |
| Movement in cash and cash equivalents: | | | |
| At start of year | | 154,992 | 142,874 |
| (Decrease)/increase in cash and cash equivalents | | (96,749) | 12,118 |
| Effects of exchange movements on cash held | | 2,858 | - |
| At end of year | 22 | 61,101 | 154,992 |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 KShs'000 | 2023 KShs'000 |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | 27 | 760,389 | 334,578 |
| Cash payments for purchases | 27 | (31,310) | (18,964) |
| Cash payments for expenses | 27 | (188,321) | (158,885) |
| Cash generated from operating activities | | 540,758 | 156,729 |
| Interest paid | 10 | (21,319) | (38,157) |
| Income tax paid | 11(c) | (36,905) | (67,573) |
| Net cash generated from operating activities | | 482,534 | 50,999 |
| Cash flows from investing activities | | | |
| Interest received | 10 | 3,839 | 9,033 |
| Dividend received | 10 | 140,000 | - |
| Purchase of property, plant and equipment | 13(a) | (1,951) | (877) |
| Additions to investment property | 15(a) | (129,918) | (93,848) |
| Net cash generated from/(used) in investing activities | | 11,970 | (85,692) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | 24 (a) | (540,692) | - |
| Net cash used in from financing activities | | (540,692) | - |
| Decrease in cash and cash equivalents | | (46,188) | (34,693) |
| Movement in cash and cash equivalents: | | | |
| At start of year | | 106,378 | 141,071 |
| Decrease in cash and cash equivalents | | (46,188) | (34,693) |
| At end of year | 22 | 60,190 | 106,378 |

The notes set out on pages 42 to 108 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. REPORTING ENTITY

Sameer Africa Plc is a limited liability Company incorporated in Kenya under the Companies Act and is domiciled in Kenya. The Consolidated financial statements of the company for the year ended 31 December 2024 comprise the company, its subsidiaries and associate (together referred to as the "Group"). The Group primarily is involved in the letting of investment properties. The address of its registered office is as follows:

Nairobi/Block 125/2370
Mombasa Road
PO Box 30429 - 00100
Nairobi

The Company's shares are listed on the Nairobi Securities Exchange.

The Company's parent Company is Sameer Investments Limited, a company incorporated in Kenya and which holds 72.48% of the company's equity interest.

For Companies Act reporting purposes, the balance sheet is represented in these financial statements by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Consolidated and Separate financial statements (the financial statements) are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) and the Companies Act. Details of the Group's and Company's significant accounting policies are included in Note 3.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except where otherwise indicated.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Kenya shillings (KShs), which is the Group's and Company's functional and presentation currency. All financial information presented in Kenya shillings (KShs) has been rounded to the nearest thousand, except where otherwise indicated.

(d) Use of estimates and judgment

In preparing these Consolidated and Separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. BASIS OF PREPARATION

(d) Use of estimates and judgement (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for changes noted in Note 4, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

References to the Group's accounting policies apply equally to the Company unless otherwise specified.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred.

Investments in subsidiaries are accounted for at cost less impairment in the Separate financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group, and adjustments made where necessary.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iii) Loss of control

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) Interests in equity accounted investees

The Group's interest in equity accounted investees, comprises its interest in an associate.

Associates are those entities in which the Group has between 20% and 50% of the voting rights and over which the Group exercises significant influence but which it does not control.

Interests in the associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of profit or loss and other comprehensive income of the equity accounted investees until the date on which significant influence or joint control ceases.

Losses of an equity accounted investee in excess of the Group's interest in that entity are recognised only to the extent that the Group has incurred legal or constructive obligations to make payments on behalf of the investee.

Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in equity accounted investees are measured at cost less impairment loss in the separate financial statements of the Company. They are initially recognised at cost which includes transaction costs.

(b) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are based on historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currencies (continued)

(ii) Foreign operations

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

(c) Segment reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group organizes its activity by business and geographical lines and these are defined as the Group's reportable segments. The four business segments are Sourcing and Distribution, Regional Operations and Property Rentals.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group and Company's activities. Net revenue is stated net of value-added tax (VAT), excise duty, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is measured based on the consideration to which the Group and Company expects to be entitled in a contract with a customer. The Group and Company recognises revenue when it transfers control of a product or service to a customer.

The Group and Company recognises revenue in accordance with that core principle by applying the following five steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Dividend income;
- Foreign currency exchange gain or loss on financial assets and financial liabilities;
- Impairment losses recognised on financial assets (other than trade receivables);
- Reclassification of net gains previously recognised in other comprehensive income.

Interest expense on borrowings is recognised in profit or loss using the effective interest rate unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized to that asset.

Foreign exchange gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

The group and all its employees contribute to the respective National Social Security Funds in the countries in which the Group operates, which are defined contribution schemes.

The group and its employees also contribute to a retirement benefit scheme. The scheme is managed by an independent fund manager. The post-employment benefits received by an employee from the scheme are determined by the amount of contributions by the Group and the employee, together with investment returns arising from the contributions. In consequence, both the actuarial and investment risks fall, in substance, on the employee.

The group's contributions to the retirement benefit schemes are charged to the profit or loss in the year to which they relate. The group has no further obligation in respect of the retirement benefit scheme once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of a restructuring or an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(g) Taxation

Income tax expense comprises both current tax and change in deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. The current income tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset and liability are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of property, plant and equipment are initially recorded at cost and subsequently depreciated. After initial recognition, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset.

Where an item of property, plant and equipment is developed or constructed over a period of time, the costs attributable to the item are accumulated in a "capital work in progress" account until the item is commissioned and the cost transferred to the relevant class of property, plant and equipment. Assets under capital work in progress are not depreciated until they are commissioned or are put into active use and transferred to the relevant class of property, plant and equipment.

Assets still under development or construction at the reporting date are shown under "capital works in progress" in the notes to the financial statements. These are capitalised when ready for intended use.

(ii) Reclassification to investment property

When the use of a material part of property, or part thereof, changes from owner – occupied to investment property, the property is classified accordingly using the depreciated cost less impairment loss or a proportionate share of the depreciated cost less impairment loss in cases where only a portion of the property is transferred.

(iii) Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation of an item of property, plant and equipment begins when the item is available for use and continues being depreciated until it is derecognised.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

| | |
|--------------------|------------|
| Buildings | 5-25 years |
| Computer equipment | 3 years |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

(iv) Depreciation (continued)

| | |
|-----------------------------------|---------|
| Vehicles | 4 years |
| Furniture, fittings and equipment | 8 years |

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each reporting date.

(v) De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition is included in profit or loss. The gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(i) Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, which can include right-of-use assets, is initially recognised at cost including the transaction costs. It is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to write down the cost of the property to its residual value over its estimated useful life. Gains or losses on disposal are recognised in profit or loss.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

(j) Intangible assets – computer software

Computer software development costs and the acquisition cost of software licenses are capitalized on the basis of the costs incurred to develop or acquire and bring to use the specific software. Software costs are capitalized only if the expenditure can be reliably measured, the product is technically and commercially viable, future economic benefits are probable and the Group intends to and has resources to complete development and use or sell the asset. Subsequent to initial recognition, software acquisition and development expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses. Computer software development and acquisition costs are amortised on a straight line basis over 8 years.

(k) Inventories

Stores and supplies, and finished goods are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less any costs of completion and selling expenses. If the purchase or production cost is higher than net realisable value, inventories are written down to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments

(i) Classification

The Group and Company classify financial instruments into the following categories:

- a. Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.
- b. Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.
- c. All other financial assets are classified and measured at fair value through profit or loss.
- d. Notwithstanding the above, the Group and Company may:
 - i. on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income; and
 - ii. on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- e. Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- f. All other financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Trade and other receivables were classified as at amortised cost;
- Borrowings and trade and other liabilities were classified as at amortised cost.

(ii) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments (continued)

(ii) Recognition and initial measurement (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(iii) Classification and subsequent measurement

The Group and Company classify their financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group's business model for managing the assets.

Financial assets may be held at amortised cost only where both:

- the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

(v) Impairment of financial assets (continued)

For financial assets carried at amortised cost (including loans and other receivables such as trade debtors), impairment losses are recognised under the “expected loss model”, building up a debtors’ provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk).

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

(vi) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

(m) Leases

(i) Leases under which the Group is the lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company’s incremental borrowing rate is used.

For leases that contain non-lease components, the Group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases (continued)

(i) Leases under which the Group is the lessee (continued)

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Leasehold land and buildings are subsequently carried at revalued amounts, based on annual/triennial valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

(ii) Leases under which the Group is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit and loss account on a straight-line basis over the lease term. The Group has not entered into any finance leases.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

- (i) Restructuring: A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(o) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

The group measures the fair value of an instrument using the quoted price, if one is available, in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Fair value measurement (continued)

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

(p) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are not recognised until they have been declared at an annual general meeting.

(q) Share capital

Ordinary shares are classified as 'share capital' in equity. Equity instruments issued by a Group entity are recognised at the value of proceeds received, net of direct issue costs. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a reduction from equity.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(s) Non-current assets held for sale

A non-current asset held for sale represents an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the sale must be highly probable and the non-current asset must be available for immediate sale in its present condition. The appropriate level of management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from its classification. Non-current assets held for sale are included in the consolidated statement of financial position at fair value less costs to sell, if this is lower than the previous carrying amount.

Once an asset is classified as held for sale no further depreciation or amortisation is recorded.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. NEW STANDARDS, AMENDMENT AND INTERPRETATIONS

a. New and revised standards and interpretations published but not yet effective for the year beginning 1st January 2024

The Group has not applied any of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1st January 2024, and the Directors do not plan to apply any of them until they become effective. Below are the new or revised standards and interpretations, with their effective dates, none of which is expected to have a significant impact on the Group's financial statements in the period of initial application.

| Standard | Details of amendment | Annual periods beginning on or after |
|---|--|--|
| IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> | <i>Amendments to IAS 21 titled Lack of Exchangeability (issued in August 2023)</i> The amendments, applicable to annual periods beginning on or after 1st January 2025, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. | 1 January 2025 |
| IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> | <i>IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)</i> The new standard, applicable to annual periods beginning on or after 1st January 2027, replaces IAS 1 and sets out revised requirements for the presentation and disclosure of information in general purpose financial statements. | 1 January 2027 |
| IFRS 19 <i>Subsidiaries without Public Accountability Disclosures</i> | <i>IFRS 19 titled Subsidiaries without Public Accountability: Disclosures (issued in May 2024)</i> The new standard, applicable to annual periods beginning on or after 1st January 2027, specifies the disclosure requirements a subsidiary without public accountability is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. | 1 January 2027 |
| IFRS 9 <i>Financial Instruments</i> IFRS 7 <i>Financial Instruments: Disclosures</i> | <i>Amendments to IFRS 9 and IFRS 7 titled Amendments to the Classification and Measurement of Financial Instruments (issued in May 2024)</i> The amendments, applicable to annual periods beginning on or after 1st January 2026, address diversity in accounting practice by making the requirements more understandable and consistent. | 1 January 2026 |
| IFRS 9 <i>Financial Instruments</i> IFRS 7 <i>Financial Instruments: Disclosures</i> | <i>Amendments to IFRS 9 and IFRS 7 titled Contracts Referencing Nature-dependent Electricity (issued in December 2024)</i> The amendments, applicable to annual periods beginning on or after 1st January 2026, help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements. | 1 January 2026 |
| IFRS 10 <i>Consolidated Financial Statements</i> IAS 28 <i>Investments in Associates and Joint Ventures</i> | <i>Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)</i> The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. | The effective date of this amendment has been deferred indefinitely until further notice |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE

Overview

The Group's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Group's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the Group's performance by setting acceptable levels of risk. The Group does not hedge against any risks.

(a) Credit risk and expected credit losses

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a group-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings.

Trade and other receivables

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the Group does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

Trade and other receivables (continued)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

(i) Group

Basis for measurement of loss allowance

| | 12-month expected credit losses | Lifetime expected credit losses (see note below) | | | Total KSh'000 |
|--------------------------------|---------------------------------------|--|----------|----------------|------------------|
| | | (a) | (b) | (c) | |
| | KSh'000 | KSh'000 | KSh'000 | KSh'000 | KSh'000 |
| At 31st December 2024 | | | | | |
| Trade receivables | - | - | - | 182,491 | 182,491 |
| Other receivables | 51,225 | - | - | - | 51,225 |
| Cash at bank | 61,101 | - | - | - | 61,101 |
| Gross carrying amount | 112,326 | - | - | 182,491 | 294,817 |
| Loss allowance | - | - | - | (15,641) | (15,641) |
| Exposure to credit risk | 112,326 | - | - | 166,850 | 279,176 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

i) Group

| | Basis for measurement of loss allowance | | | | |
|--------------------------------|---|--|----------|----------------|----------------|
| | 12-month expected credit losses | Lifetime expected credit losses (see note below) | | | Total |
| | | (a) | (b) | (c) | |
| | KSh'000 | KSh'000 | KSh'000 | KSh'000 | KSh'000 |
| At 31st December 2023 | | | | | |
| Trade receivables | - | - | - | 188,286 | 188,286 |
| Other receivables | 80,916 | - | - | - | 80,916 |
| Cash at bank | 154,992 | - | - | - | 154,992 |
| Gross carrying amount | 235,908 | - | - | 188,286 | 424,194 |
| Loss allowance | - | - | - | (51,159) | (51,159) |
| Exposure to credit risk | 235,908 | - | - | 137,127 | 373,035 |

(ii) Company

| | Basis for measurement of loss allowance | | | | |
|--------------------------------|---|--|----------------|----------------|----------------|
| | 12-month expected credit losses | Lifetime expected credit losses (see note below) | | | Total |
| | | (a) | (b) | (c) | |
| | KSh'000 | KSh'000 | KSh'000 | KSh'000 | KSh'000 |
| At 31st December 2024 | | | | | |
| Trade receivables | - | - | - | 158,184 | 158,184 |
| Amount due from subsidiaries | - | - | 241,313 | - | 241,313 |
| Other receivables | 990 | - | - | - | 990 |
| Cash at bank | 60,190 | - | - | - | 60,190 |
| Gross carrying amount | 61,180 | - | 241,313 | 158,184 | 460,677 |
| Loss allowance | - | - | - | (15,641) | (15,641) |
| Exposure to credit risk | 61,180 | - | 241,313 | 142,543 | 445,036 |

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5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

(ii) Company

| | Basis for measurement of loss allowance | | | | Total KSh'000 |
|--------------------------------|---|--|----------------|----------------|------------------|
| | 12-month expected credit losses | Lifetime expected credit losses (see note below) | | | |
| | (a) | (b) | (c) | | |
| | KSh'000 | KSh'000 | KSh'000 | KSh'000 | KSh'000 |
| At 31st December 2023 | | | | | |
| Trade receivables | - | - | - | 161,037 | 161,037 |
| Amount due from subsidiaries | - | - | 388,525 | - | 388,525 |
| Other receivables | 661 | - | - | - | 661 |
| Cash at bank | 106,378 | - | - | - | 106,378 |
| Gross carrying amount | 107,039 | - | 388,525 | 161,037 | 656,601 |
| Loss allowance | - | - | (253,127) | (47,350) | (300,477) |
| Exposure to credit risk | 107,039 | - | 135,398 | 113,687 | 356,124 |

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5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- (b) financial assets that are credit impaired at the balance sheet date; and
- (c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

The age analysis of the trade receivables at the end of each year was as follows:

| | Group | | Company | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 KShs '000 | 2023 KShs '000 | 2024 KShs '000 | 2023 KShs '000 |
| Not past due | 119,633 | 690 | 99,402 | 690 |
| Past due | | | | |
| :by 31 to 60 days | 21,530 | 12,388 | 21,268 | 12,388 |
| :by 61 to 90 days | 1,676 | 26,542 | 1,128 | 26,542 |
| :by 91 to 180 days | 19,943 | 3,238 | 16,532 | 3,238 |
| :over 181 days | 18,277 | - | 15,538 | - |
| Total past due | 61,426 | 42,168 | 54,466 | 42,168 |
| Total | 181,060 | 42,858 | 153,867 | 42,858 |
| Loss allowance | 15,641 | 49,849 | 15,641 | 49,849 |
| Total trade receivables | 196,701 | 92,707 | 169,508 | 92,707 |

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5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

The changes in the loss allowance during the year were as follows:

| (i) Group | Basis for measurement of loss allowance | | | | Total KSh'000 |
|---|---|---|----------------|---------------|------------------|
| | 12-month expected credit losses KSh'000 | Lifetime expected credit losses (see note above) | | | |
| | (a) KSh'000 | (b) KSh'000 | (c) KSh'000 | | |
| Year ended 31st December 2024 | | | | | |
| At start of year | - | - | - | 51,159 | 51,159 |
| The changes in the loss allowance during the year were as follows: Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses | | | | | |
| | - | - | - | (35,517) | (35,517) |
| At end of year | - | - | - | 15,641 | 15,641 |
| Year ended 31st December 2023 | | | | | |
| At start of year | - | - | - | 49,849 | 49,849 |
| The changes in the loss allowance during the year were as follows: Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses | | | | | |
| | - | - | - | 1,310 | 1,310 |
| At end of year | - | - | - | 51,159 | 51,159 |

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5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

The changes in the loss allowance during the year were as follows:

| (ii) Company | Basis for measurement of loss allowance | | | | |
|--|--|---|----------------|----------------|----------------|
| | 12-month expected credit losses | Lifetime expected credit losses (see note above) | | | Total |
| | KSh'000 | (a) KSh'000 | (b) KSh'000 | (c) KSh'000 | KSh'000 |
| Year ended 31st December 2024 | | | | | |
| At start of year | - | - | 253,127 | 47,350 | 300,477 |
| Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses | - | - | (253,127) | (31,709) | (284,836) |
| At end of year | - | - | - | 15,641 | 15,641 |
| Year ended 31st December 2023 | | | | | |
| At start of year | - | - | 253,127 | 46,040 | 299,167 |
| Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses | - | - | - | 1,310 | 1,310 |
| At end of year | - | - | 253,127 | 47,350 | 300,477 |

The Company does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the level of expected cash flows from trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include expected interest payments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(b) Liquidity risk (continued)

| (i) Group | Carrying amount | 1 - 3 months | 3 months - 1 year | 1-3 years | Total |
|---|-----------------|----------------|-------------------|----------------|----------------|
| | KShs '000 | KShs '000 | KShs '000 | KShs '000 | KShs '000 |
| 31 December 2024: | | | | | |
| Non - derivative financial liabilities | | | | | |
| Borrowing (Note 24 (a)) | - | - | - | - | - |
| Trade and other payables (Note 26 (a)) | 766,813 | 766,813 | - | - | 766,813 |
| At 31 December 2024 | 766,813 | 766,813 | - | - | 766,813 |
| 31 December 2023: | | | | | |
| Non - derivative financial liabilities | | | | | |
| Borrowing (Note 24 (a)) | 540,692 | - | - | 540,692 | 540,692 |
| Trade and other payables (Note 26 (a)) | 457,681 | 457,681 | - | - | 457,681 |
| At 31 December 2023 | 998,373 | 457,681 | - | 540,692 | 998,373 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(b) Liquidity risk (continued)

(ii) Company

| | Carrying amount KShs '000 | 1 - 3 months KShs '000 | 3months - 1 year KShs '000 | 1-3 years KShs '000 | Total KShs '000 |
|---|------------------------------|---------------------------|----------------------------------|------------------------|--------------------|
| 31 December 2024: | | | | | |
| Non - derivative financial liabilities | | | | | |
| Borrowings (Note 24 (a)) | - | - | - | - | - |
| Trade and other payables (Note 26 (a)) | 909,688 | 658,694 | - | 250,994 | 909,688 |
| At 31 December 2024 | 909,688 | 658,694 | - | 250,994 | 909,688 |

31 December 2023:

Non - derivative financial liabilities

| | | | | | |
|--|------------------|----------------|----------|----------------|------------------|
| Borrowings (Note 24 (a)) | 540,692 | - | - | 540,692 | 540,692 |
| Trade and other payables (Note 26 (a)) | 613,467 | 344,935 | - | 268,532 | 613,467 |
| At 31 December 2023 | 1,154,159 | 344,935 | - | 809,224 | 1,154,159 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange and interest rates will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(i) Foreign exchange risk - Group exchange risk from recognised financial assets and liabilities

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from recognised foreign currency assets and liabilities and net investments in foreign operations.

Exposure to currency risk

The summary quantitative data about the Group and Company's exposure to currency risk as reported to the management of the Group is as follows; (amounts in KShs '000)

| | 31 DECEMBER 2024 | | | | 31 DECEMBER 2023 | | | |
|-------------------------------|-------------------|-------------|-------------|-------------|-------------------|----------------|--------------|--------------|
| | USD '000 | TZS '000 | UGX '000 | BIF '000 | USD '000 | TZS '000 | UGX '000 | BIF '000 |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | 1,110 | 184 | 34 | 375 | 75,639 | 225 | 44 | 463 |
| Trade receivables | 28,986 | - | - | - | 34,338 | - | - | - |
| | 30,096 | 184 | 34 | 375 | 109,976 | 225 | 44 | 463 |
| Financial liabilities | | | | | | | | |
| Long term facilities | - | - | - | - | (440,692) | - | - | - |
| Trade and other payables | (461,988) | - | - | - | - | (2,081) | (597) | (62) |
| | (461,988) | - | - | - | (440,692) | (2,081) | (597) | (62) |
| Net financial exposure | (431,892) | 184 | 34 | 375 | (330,716) | (2,081) | (552) | 402 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(i) Foreign exchange risk

The following significant exchange rates have been applied during the year.

| | Average rate | | Year-end spot rate | |
|-----|--------------|----------|--------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| USD | 133.9392 | 141.3367 | 129.2920 | 157.3900 |
| TZS | 0.0527 | 0.0625 | 0.0511 | 0.0582 |
| UGX | 0.0352 | 0.0413 | 0.0356 | 0.0377 |
| BIF | 0.0437 | 0.0552 | 0.0463 | 0.0547 |

Sensitivity analysis

A reasonably possible strengthening or (weakening) of the key currencies against the Kenya shilling, would have affected the measurement of financial instruments denominated in foreign currency and affected the profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant and ignores the impact of forecast sales and purchases.

| Effect in KShs '000 | | Profit or loss/equity | |
|-------------------------|------------|-----------------------|-----------|
| | | Strengthening | Weakening |
| 31 December 2024 | | | |
| Currency | % movement | | |
| USD | 3% | (12,957) | 12,957 |
| TSH | 10% | 18 | (18) |
| UGX | 5% | 2 | (2) |
| BIF | 3% | 11 | (11) |
| 31 December 2023 | | | |
| USD | 3% | (9,921) | 9,921 |
| TSH | 10% | (186) | 186 |
| UGX | 5% | (28) | 28 |
| BIF | 3% | 12 | (12) |

The Group does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(i) Foreign exchange risk (continued)

Exchange risk from net investments in foreign operations

The Group has subsidiaries in Uganda, Burundi and Tanzania. Therefore, the net investments in these subsidiaries are exposed to foreign exchange risk upon consolidation of the financial statements and any losses/ (gains) are charged / (credited) to other comprehensive income. The effect of changes in the exchange rates as at 31 December 2024 would have had on the translation reserve are shown below:

Uganda

At 31 December 2024, if the Ugandan Shilling had weakened/strengthened by 5% (2023 – 5%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the other comprehensive income would have been KShs 25,216 (2023 – KShs 2,404,662) higher/lower.

Burundi

At 31 December 2024, if the Burundi Franc had weakened/strengthened by 3% (2023 – 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 21,849 (2023 – KShs 952,956) higher/lower.

Tanzania

At 31 December 2024, if the Tanzanian Shilling had weakened/strengthened by 10% (2023 – 10%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 9,978,394 (2023 – KShs 14,000,060) higher/lower.

Company exchange risk from recognised financial assets and liabilities

At 31 December 2024, if the Kenya Shilling had weakened/strengthened by 3% against the US dollar with all other variables held constant, company profit for the year would have been KShs 12,957,000 (2023 – KShs 16,220,760) higher/lower, mainly as a result of US dollar denominated financial instruments.

The company does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

(ii) Interest rate risk

The Group also has borrowings at fixed rates. No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and Company's fixed interest-bearing financial instruments as reported to management of the Group is as follows;

| | Group | | Company | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 KShs '000 | 2023 KShs '000 | 2024 KShs '000 | 2023 KShs '000 |
| Fixed rate instruments | | | | |
| Financial liabilities (Note 23) | | | | |
| (a) | - | (540,692) | - | (540,692) |
| Exposure | - | (540,692) | - | (540,692) |

Financial liabilities relate to borrowings.

Fair value sensitivity analysis on fixed rate instruments

The Group does not account for its fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would have no effect on profit or loss or equity.

(d) Capital management

The board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or adjust the amount of capital expenditure. The Group monitors capital on the basis of the debt-to-adjusted capital ratio, calculated as net debt to capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, retained earnings, and other reserves).

The director's target is to maintain a gearing ratio not exceeding 10% for the Group and 20% for the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(d) Capital management (continued)

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2024 KShs '000 | 2023 KShs '000 | 2024 KShs '000 | 2023 KShs '000 |
| Total borrowings (Note 24) | - | 540,692 | - | 540,692 |
| Less: Cash and cash equivalents (Note 22) | (61,101) | (154,992) | (60,190) | (106,378) |
| Net debt | (61,101) | 385,700 | (60,190) | 434,314 |
| Total equity | 735,575 | 472,627 | 608,073 | 180,413 |
| Total capital | 674,474 | 858,327 | 547,883 | 614,727 |
| Gearing ratio | 0% | 44.94% | 0% | 70.65% |

(e) Fair values

None of the Group's financial instruments are measured at fair value. The Group has not disclosed fair values for financial instruments not measured at fair value, such as short-term trade receivables and payables and borrowings, because their carrying amounts are a reasonable estimation of their fair values.

6. OPERATING SEGMENTS

(a) Basis of segmentation

The Group identifies primary segments based on the dominant source, nature of risks and returns, geographical distribution and internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) is evaluated regularly by the Managing Director and executive management in deciding how to allocate resources and assess performance.

The following summary describes the operations of each segment.

| Reportable segment | Operations |
|---------------------------|---|
| Sourcing and distribution | Sourcing, buying and distribution of tyres, tubes and flaps |
| Regional operations | Buying and distribution of tyres, tubes and flaps in the Eastern Africa Region |
| Yana Tyre Centre | Retailing of tyres, tubes and flaps and provision of tyre related services. However, no revenue was reported during the year. |
| Rental business | Letting of investment properties |

There is a significant level of integration between the distribution, regional operations and Yana Tyre Centre segments. This includes inter segment sales of products as well as shared marketing and sales services. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

6. OPERATING SEGMENTS (CONTINUED)

(b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating results of the respective segments relative to other entities in similar operations.

| | Sourcing & distribution | | Regional operations | | Yana Tyre centres | | Rental business | | Total | |
|---|-------------------------|------------------|---------------------|------------------|-------------------|------------------|--------------------|------------------|--------------------|--------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| External revenues | 873 | 30,313 | - | - | - | 9 | 388,605 | 360,176 | 389,478 | 390,498 |
| Inter-segment revenues | - | - | - | - | - | - | - | - | - | - |
| Segment revenue | 873 | 30,313 | - | - | - | 9 | 388,605 | 360,176 | 389,478 | 390,498 |
| Segment profit/(loss) before tax | 326,140 | (141,517) | 21,097 | (63,748) | 171,217 | (2,471) | 241,682 | 247,184 | 760,137 | 39,448 |
| Income tax | - | - | - | - | - | - | (48,081) | (81,058) | (48,081) | (81,058) |
| Segment profit after tax | 326,140 | (141,517) | 21,097 | (63,748) | 171,217 | (2,471) | 193,601 | 166,126 | 712,056 | (41,610) |
| Dividend earned | 140,000 | - | - | - | - | - | - | - | 140,000 | - |
| Interest expense | (21,319) | (38,157) | - | - | - | - | - | - | (21,319) | (38,157) |
| Depreciation and amortisation | - | - | - | - | - | - | (15,911) | (13,269) | (15,911) | (13,269) |
| Share of profit from equity accounted investees | 41,147 | 37,247 | - | - | - | - | - | - | 41,147 | 37,247 |
| Segment assets | - | 718,245 | 43,001 | 35,929 | 6,288 | 10,458 | 2,214,577 | 1,277,951 | 2,263,867 | 2,042,583 |
| Equity accounted investees | 268,231 | 227,084 | - | - | - | - | (138,428) | (145,288) | 268,231 | 227,084 |
| Capital expenditure | - | - | - | - | - | - | - | - | - | (145,288) |
| Segment liabilities | (16,680) | (617,746) | (142,561) | (176,730) | (75) | (175,462) | (1,387,583) | (846,725) | (1,546,900) | (1,816,663) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6. OPERATING SEGMENTS (CONTINUED)

(c) Reconciliation of information on reportable segments to IFRS measures

The Group's internal accounting policies and measures are consistent with IFRS. Therefore, the reconciling items are limited to items that are not allocated to reportable segments and inter-segment eliminations, as opposed to a difference in the basis of preparation of the information.

| | 2024 KShs'000 | 2023 KShs'000 |
|--|------------------|------------------|
| (i) Revenues | | |
| Total revenues for reportable segments | 389,478 | 390,498 |
| Elimination of intersegment revenues | - | - |
| Consolidated revenue | 389,478 | 390,498 |
| (ii) Profit before tax | | |
| Segments profit before tax | 760,137 | 39,448 |
| Provision of intercompany balances | (36,822) | - |
| Share of profit on equity accounted investee | 41,147 | 37,247 |
| Elimination of intersegment expenses | (226,483) | 50,698 |
| Inter-segment dividend income | (230,000) | - |
| Consolidated profit before tax | 307,979 | 127,393 |
| (iii) Assets | | |
| Total segment assets | 2,263,867 | 2,042,583 |
| Elimination of inter-segment; | | |
| - Net unrealised profits on inventories | - | - |
| - Receivables | (689,773) | (465,545) |
| - Intercompany provisions | - | - |
| Investment in subsidiaries | (184,000) | (184,000) |
| Share of profit/(loss) of equity accounted investees | 131,205 | 90,058 |
| Consolidated total assets | 1,521,299 | 1,483,096 |
| (iv) Liabilities | | |
| Total segment liabilities | 1,546,900 | 1,816,663 |
| Elimination of inter-segment payables | (761,176) | (806,194) |
| Consolidated total liabilities | 785,724 | 1,010,469 |

Segment assets and liabilities exclude current and deferred taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6. OPERATING SEGMENTS (CONTINUED)

(d) Geographic information

The Group operates in various markets within the greater Eastern and Southern Africa markets. The sourcing plant is domiciled in Kenya with other markets involved in distribution, retail and trading. The geographic information below analyses the Group's revenues and non-current assets by the country of domicile and other countries. In preparing the following information, segment revenue has been based on geographic location of customers and segment non-current assets were based on the geographic location of the assets. Non-current assets exclude financial instruments, employee benefits assets and deferred tax assets.

| | 2024 KShs'000 | 2023 KShs'000 |
|--|------------------|------------------|
| (i) Revenues | | |
| <i>Country of domicile</i> | | |
| Kenya | 389,478 | 390,498 |
| All foreign countries | | |
| Uganda | - | - |
| Tanzania | - | - |
| Burundi | - | - |
| Others | - | - |
| Consolidated revenue | 390,498 | 390,498 |
| (ii) Non-current assets | | |
| <i>Country of domicile</i> | | |
| Kenya | 1,180,392 | 1,016,728 |
| All foreign countries | | |
| Uganda | - | - |
| Tanzania | - | - |
| Burundi | - | - |
| Consolidated total non-current assets | 1,180,392 | 1,016,728 |

(e) Major customer

The Group and its entities do not place reliance on any particular customer for its operations. None of the Group's individual customers transacts revenues of 20% or more of the Group's turnover.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

In preparing the annual financial statements management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant estimates and judgements include:

— *Impairment*

The Group assesses its trade receivables and other financial and non-financial assets for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes assumptions underlying recoverable amounts as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the asset.

— *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has established a framework with respect to measurement of fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the team assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS including the fair value hierarchy in which such valuation should be classified.

— *Taxation*

Judgement is required in determining the liability for income taxes due to the complexity of tax legislations. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability in the period in which such determination is made.

The company recognises the net future tax benefit relating to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted.

— *Useful lives and residual values of property, plant and equipment*

The company tests annually whether the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical accounting estimates and assumptions (continued)

— Investment property

Critical estimates are made by the directors in determining depreciation rates for investment property.

(b) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made judgements which are noted in the following notes:

- (i) Note 3 (a): Basis of consolidation – whether the Group has de facto control over an investee;
- (ii) Note 25: Deferred tax – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

8. REVENUE

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| (a) Revenue from contracts with customers | | | | |
| Recognised at a point in time: | | | | |
| Sale of imported goods | 873 | 30,357 | 873 | 30,348 |
| Discounts, claims and warranties | - | (44) | - | (44) |
| Recognised over time: | | | | |
| Rendering of services | - | 9 | - | 9 |
| (b) Other revenue | | | | |
| Investment property rentals | 388,605 | 360,176 | 307,945 | 294,485 |
| | 389,478 | 390,498 | 308,818 | 324,798 |

9. OTHER OPERATING INCOME AND EXPENSES

(a) Other operating income

| | Group | | Company | |
|------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Insurance compensation | - | 10,053 | - | - |
| Other income | 1,131 | 13,791 | 974 | 9,388 |
| | 1,131 | 23,844 | 974 | 9,388 |

Other income includes income from the sale of impaired assets and scrap materials.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(b) Expenses by function

(i) Cost of sales

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Prime costs | | | | |
| Inventories expensed during the year (Note 20) | - | 20,921 | - | 20,913 |
| | - | 20,921 | - | 20,913 |
| Sourcing and distribution overheads | | | | |
| Indirect labour | 2,076 | 2,075 | 2,076 | 2,075 |
| Depreciation | 13,879 | 11,487 | 8,893 | 7,397 |
| | 15,955 | 13,562 | 10,969 | 9,472 |
| Total cost of sales | 15,955 | 34,483 | 10,969 | 30,385 |

(ii) Operating expenses

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Selling and distribution costs | | | | |
| Distribution costs | - | 266 | - | 266 |
| Selling expenses | 17,628 | 3,180 | 17,628 | 3,180 |
| Trade receivables loss allowance | (8,961) | 1,310 | (45,783) | 1,310 |
| Marketing and sales promotions | 1,905 | 2,865 | 1,905 | 2,865 |
| | 10,572 | 7,621 | (26,250) | 7,621 |

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9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(b) Expenses by function (continued)

(ii) Operating expenses - continued

| <i>Administrative expenses</i> | Group | | Company | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Indirect staff costs | 72,692 | 77,566 | 63,012 | 68,566 |
| Impairment of subsidiary | - | - | - | - |
| Other administrative expenses | 6,785 | (4,439) | (47,616) | (12,302) |
| | 79,477 | 73,127 | 15,396 | 56,264 |
| <i>Other operating expenses</i> | | | | |
| Legal and professional fees | 64,408 | 54,350 | 47,859 | 42,201 |
| Travel and vehicle maintenance | 564 | 584 | 530 | 559 |
| Establishment expenses | 20,105 | 11,842 | 15,782 | 9,549 |
| Bank charges and fees | 1,450 | 1,398 | 1,297 | 1,250 |
| | 86,527 | 68,174 | 65,468 | 53,559 |
| Total operating expenses | 176,576 | 148,922 | 54,614 | 117,444 |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(c) Expenses by nature

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Cost of imported trading goods sold | - | 20,921 | - | 20,913 |
| Employee benefits expense (Note 9 (d)) | 74,943 | 80,667 | 65,263 | 71,667 |
| Audit fees | 2,352 | 2,361 | 1,300 | 1,200 |
| Bank charges | 1,450 | 1,398 | 1,297 | 1,250 |
| Depreciation and amortisation | 15,911 | 13,269 | 10,583 | 8,630 |
| General expenses | 4,958 | (13,636) | (44,789) | (16,735) |
| Legal and professional fees | 36,292 | 22,971 | 20,796 | 11,987 |
| Advertising and promotions | 1,905 | 2,865 | 1,905 | 2,865 |
| Electricity, water and fuel | (10,819) | (2,215) | (15,231) | (6,964) |
| Repairs and maintenance | 27,999 | 18,815 | 23,772 | 17,082 |
| Trade receivables loss allowance | (8,961) | 1,310 | (45,783) | 1,310 |
| Sales commissions and bonuses | 15,719 | 1,172 | 15,719 | 1,172 |
| Rent and rates | 12,834 | 16,811 | 12,834 | 16,797 |
| Telephone and postage | 2,458 | 1,686 | 2,464 | 1,671 |
| Transport, travelling and insurance | 15,490 | 15,010 | 15,453 | 14,984 |
| Total cost of sales, selling and distribution, administrative and other operating expenses | 192,531 | 183,405 | 65,583 | 147,829 |

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9. OTHER OPERATING INCOME AND EXPENSES

(d) Employee benefits expense

| | Group | | Company | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Salaries and wages | 51,648 | 48,630 | 42,959 | 41,144 |
| Allowances and other benefits | 19,580 | 12,966 | 19,201 | 12,022 |
| Defined contribution scheme | 3,632 | 18,934 | 3,040 | 18,396 |
| National Social Security Fund | 83 | 137 | 63 | 105 |
| Total | 74,943 | 80,667 | 65,263 | 71,667 |

(e) Employee particulars for the year

(i) Average number of employees per employee category

| | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|
| Management and administration | 16 | 15 | 16 | 15 |
| Total | 16 | 15 | 16 | 15 |

10. NET FINANCE (COSTS)/INCOME

| | Group | | Company | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Finance income | | | | |
| Interest income | 6,467 | 9,033 | 3,839 | 9,033 |
| Dividend received | - | - | 140,000 | - |
| Foreign exchange gains | 192,647 | 21,832 | 181,689 | 4,643 |
| | 199,114 | 30,865 | 325,528 | 13,676 |
| Finance costs | | | | |
| Foreign exchange losses | 109,041 | 133,499 | 90,996 | 117,828 |
| Interest expense | 21,319 | 38,157 | 21,319 | 38,157 |
| | 130,360 | 171,656 | 112,315 | 155,985 |
| Net finance income | 68,754 | (140,791) | 213,213 | (142,309) |

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11. INCOME TAXES

(a) Amounts recognised in profit or loss

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Current tax expense: | | | | |
| Current income tax | 43,724 | 75,938 | 29,762 | 62,796 |
| | 43,724 | 75,938 | 29,762 | 62,796 |
| Deferred tax expense (Note 25(b)): | | | | |
| Deferred income tax | 4,357 | 5,210 | - | - |
| | 4,357 | 5,210 | - | - |
| Income tax expense | 48,081 | 81,058 | 29,762 | 62,796 |

The Group income tax expense excludes the Group's share of income tax expense of its equity accounted investee of KShs'000 –15,787 (2023: KShs'000- 56) which has been included in "share of profit of equity accounted investee, net of tax".

(b) Reconciliation of effective tax rate

The tax on the Group's and company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

| Group | 2024 | | 2023 | |
|---|---------------|----------------|---------------|----------------|
| | Rate % | KShs'000 | Rate % | KShs'000 |
| Profit before income tax | | 307,979 | | 127,393 |
| Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2023 - 30%) | 30% | 92,394 | 30% | 38,218 |
| Tax effect of: | | | | |
| Share of profit of equity accounted investee | (4.01)% | (12,344) | (8.77)% | (11,174) |
| Expenses not deductible for income tax purposes | (8.97)% | (27,612) | 28.36% | 36,130 |
| Effects of unrecognised deferred tax | (1.41)% | (4,357) | 4.02% | 5,120 |
| Under provision of current income tax in prior years | 0% | - | 10.12% | 12,764 |
| Income tax expense | 15.56% | 48,081 | 63.63% | 81,058 |

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11. INCOME TAXES (CONTINUED)

(b) Reconciliation of effective tax rate (continued)

| Company | 2024 | | 2023 | |
|---|--------------|----------------|----------------|---------------|
| | Rate % | KShs'000 | Rate % | KShs'000 |
| Profit before income tax | | 457,422 | | 44,048 |
| Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2023 - 30%) | 30% | 137,227 | 30% | 13,214 |
| Tax effect of: | | | | |
| Expenses not deductible for income tax purposes | (14.31)% | (65,465) | 83.59% | 36,818 |
| Income not subject to income tax | (9.18)% | (42,000) | - | - |
| Under provision of current income tax in prior years | 0% | - | 28.98% | 12,764 |
| Income tax expense | 6.51% | 29,762 | 142.56% | 62,796 |

(c) Reconciliation of carrying amounts

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Net liability at start of year | (36,872) | (23,258) | (17,737) | (12,961) |
| Charge for the year - profit or loss (note 11(a)) | 48,081 | 75,938 | 29,762 | 62,796 |
| Provision in prior period | (1,497) | (4,778) | 1 | - |
| Income tax paid | (50,594) | (84,774) | (36,905) | (67,573) |
| Net (asset)/liability at end of year | (40,882) | (36,872) | (24,880) | (17,737) |
| Represented by: | | | | |
| Income tax assets | (43,376) | (36,908) | (24,880) | (17,737) |
| Income tax liability | 2,494 | 36 | - | - |
| | (40,882) | (36,872) | (24,880) | (17,737) |

The Group believes that its accruals for current tax liabilities / (assets) are adequate for all open tax matters based on its assessment of various factors, including interpretations of tax laws and prior experience.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

| | 2024 | 2023 |
|--|---------|---------|
| Profit attributable to equity holders of the Company (KShs '000) | 259,898 | 46,335 |
| Weighted average number of ordinary shares in issue ('000) | 278,342 | 278,342 |
| Basic earnings per share (KShs) | 0.93 | 0.17 |

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(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at 31 December 2024 or 2023. Diluted earnings per share are therefore the same as basic earnings per share.

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13. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amounts

| Group | Buildings KShs'000 | Furniture, fittings & equipment KShs'000 | Total KShs'000 |
|--|-----------------------|---|-------------------|
| 2024: | | | |
| Cost | | | |
| At 1 January 2024 | 11,773 | 10,110 | 21,883 |
| Additions | - | 1,951 | 1,951 |
| At 31 December 2024 | 11,773 | 12,061 | 23,834 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2024 | 2,651 | 6,485 | 9,136 |
| Charge for the year | 471 | 1,558 | 2,029 |
| At 31 December 2024 | 3,122 | 8,043 | 11,165 |
| Carrying amounts - At 31 December 2024 | 8,651 | 4,018 | 12,669 |

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13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amounts (continued)

| Group | Buildings KShs'000 | Furniture, fittings & equipment KShs'000 | Total KShs'000 |
|--|-----------------------|---|-------------------|
| 2023: | | | |
| Cost | | | |
| At 1 January 2023 | 11,773 | 9,233 | 21,006 |
| Additions | - | 877 | 877 |
| At 31 December 2023 | 11,773 | 10,110 | 21,883 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2023 | 2,180 | 5,178 | 7,358 |
| Charge for the year | 471 | 1,307 | 1,778 |
| At 31 December 2023 | 2,651 | 6,485 | 9,136 |
| Carrying amounts - At 31 December 2023 | 9,122 | 3,625 | 12,747 |

| Company | Buildings KShs'000 | Furniture, fittings & equipment KShs'000 | Total KShs'000 |
|--|-----------------------|---|-------------------|
| 2024 Cost | | | |
| At 1 January 2024 | 11,773 | 2,855 | 14,628 |
| Additions | - | 1,951 | 1,951 |
| At 31 December 2024 | 11,773 | 4,806 | 16,579 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2024 | 2,651 | 989 | 3,640 |
| Charge for the year | 471 | 1,215 | 1,686 |
| At 31 December 2024 | 3,122 | 2,204 | 5,326 |
| Carrying amounts - At 31 December 2024 | 8,651 | 2,602 | 11,253 |

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13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amounts (continued)

| Company | | | |
|--|-----------------------|---|-------------------|
| 2023: | Buildings KShs'000 | Furniture, fittings & equipment KShs'000 | Total KShs'000 |
| Cost | | | |
| At 1 January 2023 | 11,773 | 1,978 | 13,751 |
| Additions | - | 877 | 877 |
| At 31 December 2023 | 11,773 | 2,855 | 14,628 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2023 | 2,180 | 232 | 2,412 |
| Charge for the year | 471 | 757 | 1,228 |
| At 31 December 2023 | 2,651 | 989 | 3,640 |
| Carrying amounts - At 31 December 2023 | 9,122 | 1,866 | 10,988 |

14. INTANGIBLE ASSETS

Computer software

(a) Reconciliation of carrying amounts

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Cost | | | | |
| At 1 January and 31 st December | 138,348 | 138,348 | 138,030 | 138,030 |
| Amortisation and impairment | | | | |
| At 1 January | 138,348 | 138,348 | 138,030 | 138,030 |
| Charge for the year | - | - | - | - |
| At 31 December | 138,348 | 138,348 | 138,030 | 138,030 |
| Carrying amount at 31 December | - | - | - | - |

(a) Impairment loss

Specialised computer software used for production planning was tested for impairment after the factory closure and an impairment loss of KShs 2,392,000 was recognised. The Group continues to use other modules of this software that remain relevant to its operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14. INTANGIBLE ASSETS (CONTINUED)

(b) Classification

The Group accounts for computer software development and licenses costs that are not an integral part of the related hardware as intangible assets, which are amortized over their useful lives. All other computer software that form an integral part of the related hardware, are included in property plant and equipment.

15. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amounts

| | Group | | Company | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| At start of year | 776,571 | 643,647 | 640,833 | 554,382 |
| Additions | 136,477 | 144,411 | 129,918 | 93,848 |
| Depreciation | (13,879) | (11,487) | (8,893) | (7,397) |
| At end of year | 899,170 | 776,571 | 761,858 | 640,833 |

Transfer from buildings relates to cost of building and its accumulated depreciated from our subsidiary Yana Tyre Center Limited.

| | Group | | Company | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Comprising | | | | |
| Cost | 1,193,202 | 1,056,724 | 989,063 | 859,145 |
| Accumulated depreciation | (294,032) | (280,153) | (227,205) | (218,312) |
| At end of year | 899,170 | 776,571 | 761,858 | 640,833 |

Investment property comprises:

- (i) Leasehold land held for future development or capital appreciation;
- (ii) Residential houses; and
- (iii) Commercial properties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15. INVESTMENT PROPERTIES (CONTINUED)

(b) Rental income and operating expenses

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | KShs'000 | KShs'000 | KShs'000 | KShs'000 |
| Rental income | 388,605 | 360,176 | 307,945 | 294,485 |
| Operating expenses | | | | |
| Staff costs | 72,162 | 64,071 | 63,012 | 55,483 |
| Administrative expenses | (24,993) | 10,960 | (31,531) | 15,572 |
| Security expenses | 18,212 | 14,451 | 10,905 | 8,021 |
| Legal and professional fees | 47,588 | 12,381 | 46,259 | 12,897 |
| Repairs and maintenance | 18,073 | 10,060 | 14,092 | 8,317 |
| Depreciation | 15,911 | 13,269 | 10,582 | 8,629 |
| Net other income | (30) | (12,201) | - | - |
| | 146,923 | 112,991 | 113,319 | 108,919 |
| Net rental income before tax | 241,682 | 247,185 | 194,626 | 185,566 |

(c) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications every 3 years. In the intervening periods between valuations, management adjusts fair values on the basis of annual housing index reports provided by professional consultants. During the year, management used "The Valuation Report" by Knight Frank – a Real Estate Property Valuation firm.

The fair value measurement of – Group KShs'000 – 8,969,446 (2023: KShs'000 -8,784,962); Company KShs'000 –7,044,544 (2023: KShs'000 – 6,718,962) has been categorized as level 2 fair value (2023 level 2) based on the inputs to the valuation techniques used.

The Group accounts for its investment property at cost less accumulated depreciation and any impairment losses. The fair value gains which would have been recognised in profit or loss had the Group accounted for its investment property at fair values would have been as follows:

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15. INVESTMENT PROPERTIES (CONTINUED)

(c) Measurement of fair value

(i) Fair value hierarchy

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | KShs'000 | KShs'000 | KShs'000 | KShs'000 |
| Fair values | | | | |
| Properties | 8,969,446 | 8,784,962 | 7,044,544 | 6,718,962 |
| | 8,969,446 | 8,784,962 | 7,044,544 | 6,718,962 |
| Carrying amounts | | | | |
| Commercial properties | 899,170 | 776,571 | 761,858 | 640,833 |
| Leasehold land | 322 | 326 | 322 | 326 |
| | 899,492 | 776,897 | 762,180 | 641,159 |
| Fair value gains not recognised in profit or loss | 8,069,954 | 8,008,065 | 6,282,364 | 6,077,803 |

(ii) Valuation techniques and significant unobservable inputs

The table below shows the valuation techniques used in measuring fair values as well as significant unobservable inputs used.

| Valuation technique | Significant unobservable inputs | Inter-relationships between unobservable inputs and fair value measurements |
|--|---|---|
| (a) Investment property Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property taking into account expected rental growth, occupancy rates and other costs not paid by tenants. The net cash flows are discounted using the risk adjusted discount rate. | 1. Expected market rental growth (2024 and 2023: 3%-5%) 2. Occupancy rates (2024 and 2023: 88% - 95%) 3. Risk-adjusted discount rate (2024 and 2023:9%) | The estimated fair values would increase / (decrease) if; 1. Expected rental growth were higher / (lower) 2. Occupancy rates were higher / (lower) 3. Risk-adjusted discount rate was lower / (higher) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15. INVESTMENT PROPERTIES (CONTINUED)

(ii) Valuation techniques and significant unobservable inputs (continued)

| Valuation technique | Significant unobservable inputs | Inter-relationships between unobservable inputs and fair value measurements |
|--|--|--|
| (b)Leasehold land held for value appreciation and development. Market approach: The valuation model uses prices and other relevant information generated by market transactions involving identical or similar assets. The fair value is determined as the price that would be paid to sell the land in an orderly transaction to market participants. | 1. Property prices in the locality 2. Infrastructure developments | The estimated fair values would increase/ (decrease); 1. If property prices were higher / (lower) 2. Increase with improvements in infrastructure. |

16. NON-CURRENT ASSETS HELD FOR SALE

Assets held for sale relates to 3.75 acres of undeveloped leasehold land,the sale was initiated in 2023 and likely to conclude in the 2nd quarter of 2025.

The transaction value of the asset held for sale is USD 7,128,891 or equivalent Ksh 921,694,317 at the year end USD closing rate of 129.29

| | Group | | Company | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Assets held for sale (land) | 15 | 15 | 15 | 15 |
| At end of year | 15 | 15 | 15 | 15 |

17. PREPAID OPERATING LEASE RENTALS

(a) Reconciliation of carrying amount

| | Group and Company | |
|----------------------------------|-------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 |
| At start of year | 326 | 330 |
| Amortisation charge for the year | (4) | (4) |
| At end of year | 322 | 326 |

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17. PREPAID OPERATING LEASE RENTALS (CONTINUED)

(b) Classification

The Group classifies leasehold land under development of warehouses, administration block, roads and other buildings as prepaid operating leases. Undeveloped leasehold land held for future development or value appreciation is accounted for under investment property.

18. INVESTMENT IN SUBSIDIARIES - COMPANY

(a) Investment and structure

The company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the parent company, were as follows:

| | Country of incorporation | % interest held | 2024 KShs'000 | 2023 KShs'000 |
|----------------------------------|--------------------------|-----------------|------------------|------------------|
| Sameer Africa (Uganda) Limited | Uganda | 100% | 26,612 | 26,612 |
| Sameer Africa (Tanzania) Limited | Tanzania | 100% | 155,100 | 155,100 |
| Yana Tyre Centre Limited | Kenya | 100% | 10,000 | 10,000 |
| Sameer Industrial Park Limited | Kenya | 100% | 120,000 | 120,000 |
| Sameer Africa (Burundi) Limited | Burundi | 100% | 221,913 | 221,913 |
| Taqwa Trading Limited | Kenya | 100% | 35,000 | 35,000 |
| | | | 568,625 | 568,625 |
| Less: Provision for impairment | | | (448,625) | (448,625) |
| Carrying amount | | | 120,000 | 120,000 |

The provision for impairment relates to Taqwa Trading Limited which ceased trading in 2017 and has since been dormant. Other impairments of the investments in subsidiary companies done in 2018 were: Sameer Africa (Tanzania) Limited - KShs 155,100,000, Sameer Africa (Burundi) Limited - KShs 221,913,000, Sameer Africa (Uganda) Limited - KShs 26,612,000 and Yana Tyre Centre Limited impaired in 2024 -Kshs 10,000,000.

(b) Nature and extent of significant restrictions

The company does not have any significant restrictions on any of its subsidiary companies, whether contractual, statutory or regulatory that limits its ability to access or use the assets and settle liabilities of the Group.

(c) Nature of risks associated with subsidiaries

The Group has no contractual arrangements that require the parent or its subsidiaries to provide financial support to a consolidated structured entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. INVESTMENT IN ASSOCIATE

The following table summarizes the carrying amounts and the Group's share of profit or loss and other comprehensive income of its investment in associate as well as the carrying amounts in the financial statements of the company.

| | Group | | Company | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Carrying amount | KShs'000 | KShs'000 | KShs'000 | KShs'000 |
| Interest in associates | 268,231 | 227,084 | 137,026 | 137,026 |
| At end of year | 268,231 | 227,084 | 137,026 | 137,026 |

(a) Reconciliation of carrying amount - Group

| | 2024 | 2023 |
|----------------------------|----------------|----------------|
| | KShs'000 | KShs'000 |
| At 1 January 2024 | 227,084 | 189,837 |
| Prior year under provision | - | - |
| Share of profit | 41,147 | 37,247 |
| At end of year | 268,231 | 227,084 |

(a) Associate

The Group's has an interest of 25% (2023: 25%) in the equity and voting rights of Sameer Business Park Limited. Sameer Business Park Limited is incorporated in Kenya and is unlisted. The principal place of business is along Mombasa Road, Nairobi.

The principal business of the associate is the letting of investment properties to third parties.

The Group accounts for its investment in associate using the equity method. The investment in associate is measured at cost less any impairment losses in the separate financial statements of the company.

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19. INVESTMENT IN ASSOCIATE

(a) Associate (continued)

(i) Summarised financial information

The summarized financial information of the associate is set out below;

| | 2024 KShs'000 | 2023 KShs'000 |
|-----------------------------------|------------------|------------------|
| Financial position | | |
| Non-current assets | 1,758,501 | 1,806,511 |
| Current assets | 318,797 | 279,401 |
| Current liabilities | (58,147) | (38,237) |
| Non-current liabilities | (947,228) | (1,140,338) |
| Net assets | 1,071,923 | 907,337 |
| Revenue | 431,643 | 382,470 |
| Expenses | (267,057) | (233,480) |
| Profit after tax | 164,586 | 148,990 |
| Other comprehensive income | - | - |
| Total comprehensive income | 164,586 | 148,990 |

20. INVENTORIES

| | Group | | Company | |
|----------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Finished goods | - | - | - | - |
| | - | - | - | - |

The amounts of inventories recognised as an expense during the period are as shown below:

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Changes in inventories of work in progress and finished goods | - | - | - | - |
| Cost of trading goods sold | - | 20,921 | - | 20,913 |
| | - | 20,921 | - | 20,913 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

20. INVENTORIES (CONTINUED)

(a) Amounts recognised in profit or loss

In 2024, inventories of KShs'000 Nil (2023 – KShs'000 20,921) for the group and KShs '000 Nil (2023 – KShs '000 20,913) were recognised as an expense during the year and included in cost of sales.

21. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Current | | | | |
| Trade receivables | 182,491 | 188,286 | 158,184 | 161,037 |
| Less: Provision for impairment | (15,641) | (51,159) | (15,641) | (47,350) |
| | 166,850 | 137,127 | 142,543 | 113,687 |
| Amounts due from related companies (Note 30(d)(i)) | 14,210 | 27,305 | 11,324 | 23,648 |
| Other receivables | 37,015 | 80,916 | 990 | 661 |
| Receivables from subsidiaries net of impairment (Note 30(d)(i)) | - | - | 229,989 | 135,398 |
| Trade and other receivables | 218,075 | 245,348 | 384,846 | 273,394 |
| Prepayments | 18,340 | 29,105 | 17,371 | 27,875 |
| | 236,415 | 274,453 | 402,217 | 301,269 |

(a) Credit and market risks, and impairment losses

Information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 5 (a).

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as shown in the statements of financial position and cash flows comprise the following:

| | Group | | Company | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Cash at hand and in bank | 61,101 | 77,450 | 60,190 | 28,836 |
| Call deposits | - | 77,542 | - | 77,542 |
| | 61,101 | 154,992 | 60,190 | 106,378 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

23. CAPITAL AND RESERVES

(a) Ordinary share capital

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the General Meetings of the company. All ordinary shares rank *pari passu* with regard to the company's residual assets.

| | 2024 | 2023 |
|--|------------------|------------------|
| Authorised ordinary shares | 300,000,000 | 300,000,000 |
| Authorised par value (KShs each) | 5 | 5 |
| Authorised share capital (KShs'000) | 1,500,000 | 1,500,000 |
| Issued and fully paid up capital | | |
| Issued ordinary shares | 278,342,393 | 278,342,393 |
| Issued par value (KShs each) | 5 | 5 |
| Issued and fully paid up capital (KShs'000) | 1,391,712 | 1,391,712 |

(b) Nature and purpose of reserves

(i) Translation reserve

The translation reserve comprise all foreign currency differences arising from the translation of financial statements of foreign operations. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ii) Retained earnings

Retained earnings comprises accumulated profit or loss from continuing operations and other comprehensive income net of any dividends declared and paid out to ordinary shareholders. Retained earnings represent amounts available to the shareholders of the Group and are usually utilised to finance business activity.

(c) Dividends

The directors do not recommend the declaration of a dividend for the year (2023:Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24. BORROWINGS

| a) Carrying amounts | Group | | Company | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Non-current | | | | |
| Sameer Investments Limited | - | 440,692 | - | 440,692 |
| Sameer Telkom Limited | - | 100,000 | - | 100,000 |
| Total borrowings | - | 540,692 | - | 540,692 |

| Reconciliation of liabilities arising from financing activities: | 31 December 2024 | | 31 December 2023 | |
|--|-----------------------|-------------------------------------|-----------------------|-------------------------------------|
| | Bank loan KShs'000 | Related parties loan KShs'000 | Bank loan KShs'000 | Related parties loan KShs'000 |
| At start of year | - | 445,446 | - | 445,446 |
| Foreign exchange revaluation | - | 95,246 | - | 95,246 |
| Loan repayments | - | (540,692) | - | - |
| | - | - | - | 540,692 |

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24. BORROWINGS (CONTINUED)

Terms and repayment schedule

| Group and company | Currency | Nominal interest | Maturity | 31 December 2024 | | 31 December 2023 | |
|--|----------|------------------|----------|------------------|-----------------|------------------|-----------------|
| | | | | Face value | Carrying amount | Face value | Carrying amount |
| Term loan – Sameer Investments Limited | USD | 7.00% | 2025 | 440,692 | - | 440,692 | 440,692 |
| Term loan – Sameer Telkom Limited | KSH | 11.00% | 2025 | 100,000 | - | 100,000 | 100,000 |
| | | | | 540,692 | - | 540,692 | 540,692 |

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24. BORROWINGS (CONTINUED)

(a) Effective interest rates

The weighted average effective interest rates at the year-end were:

| | 2024 % | 2023 % |
|---------------------------------|-----------|-----------|
| Related party borrowings - USD | 7.00 | 7.00 |
| Related party borrowings - KShs | 11.00 | 11.00 |

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the statement of financial position date.

(b) Compliance with loan covenants

The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

25. DEFERRED INCOME TAX

(a) Carrying amounts

Deferred income tax is calculated using the enacted income tax rates of 30% (2023: 30%) that apply to the different Group companies. The movement on the deferred income tax account is as follows:

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| At start of year | 12,060 | 6,940 | - | - |
| Charge to statement of profit or loss (Note 11 (a)) | 4,357 | 5,120 | - | - |
| At end of year | 16,417 | 12,060 | - | - |
| As disclosed on the balance sheet: | | | | |
| Deferred income tax assets | - | - | - | - |
| Deferred income tax liabilities | 16,417 | 12,060 | - | - |
| | 16,417 | 12,060 | - | - |

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25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances

| Group 2024 | Net balance at 1 January KShs'000 | Recognised in profit or loss KShs'000 | Net balance at 31 December KShs'000 |
|---|---|---|--|
| Deferred income tax asset | | | |
| Property, plant and equipment and intangibles | (57,852) | 7,887 | (49,965) |
| Investment property | 144,451 | 37,819 | 182,269 |
| Provisions | (91,501) | 81,191 | (10,310) |
| Tax losses | (693,862) | 14,524 | (679,337) |
| Effects of movements in exchange rates | (22,434) | 80,515 | 58,081 |
| Prior year under provision | - | - | - |
| | (721,198) | 221,936 | (499,262) |
| Total deferred tax asset | (721,198) | 221,936 | (499,262) |
| Unrecognized deferred tax asset | 721,198 | (221,936) | 499,262 |
| | - | - | - |
| Deferred income tax liability | | | |
| Investment property | 10,782 | 5,895 | 16,677 |
| Provisions | - | - | - |
| Effects of movements in exchange rates | 1,278 | (1,538) | (260) |
| | 12,060 | 4,357 | 16,417 |
| Net deferred income tax liabilities | 12,060 | 4,357 | 16,417 |

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25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances (continued)

Group 2023

| | Net balance at 1 January KShs'000 | Recognised in profit or loss KShs'000 | Net balance at 31 December KShs'000 |
|---|---|---|--|
| Deferred income tax asset | | | |
| Property, plant and equipment and intangibles | (60,922) | 3,070 | (57,852) |
| Investment property | 137,143 | 7,307 | 144,451 |
| Provisions | (153,029) | 61,528 | (91,501) |
| Tax losses | (651,338) | (42,524) | (693,862) |
| Effects of movements in exchange rates | (7,439) | (14,995) | (22,434) |
| Prior year under provision | 1,144 | (1,144) | - |
| | (734,441) | 13,243 | (721,198) |
| Total deferred tax asset | (734,441) | 13,243 | (721,198) |
| Unrecognized deferred tax asset | 734,441 | (13,243) | 721,198 |
| | - | - | - |
| Deferred income tax liability | | | |
| Investment property | 7,683 | 3,099 | 10,782 |
| Provisions | (532) | 532 | - |
| Effects of movements in exchange rates | (211) | 1,489 | 1,278 |
| | 6,940 | 5,210 | 12,060 |
| Net deferred income tax liabilities | 6,940 | 5,210 | 12,060 |

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25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances (continued)

| Company 2024 | | | |
|---|--|---|--|
| | Net balance at 1 January KShs'000 | Recognised in profit or loss KShs'000 | Net balance at 31 December KShs'000 |
| Deferred income tax asset | | | |
| Property, plant and equipment and intangibles | (60,457) | 7,887 | (52,570) |
| Investment property | 81,536 | 37,819 | 119,354 |
| Provisions for expenses | (92,754) | 83,479 | (9,275) |
| Tax losses | (455,740) | (79,283) | (535,022) |
| Exchange differences | (26,300) | 80,515 | 54,215 |
| Total deferred tax asset | (553,715) | 130,417 | (423,298) |
| Unrecognized deferred tax asset | 553,715 | (130,417) | 423,298 |
| | - | - | - |

| Company 2023 | | | |
|---|--|---|---|
| | Net balance at 1 January KShs'000 | Recognised in profit or loss KShs'000 | Net balance at 31 December KShs'000 |
| Deferred income tax asset | | | |
| Property, plant and equipment and intangibles | (67,691) | 7,234 | (60,457) |
| Investment property | 74,228 | 7,307 | 81,536 |
| Provisions for expenses | (157,116) | 64,363 | (92,754) |
| Tax losses | (418,776) | (36,963) | (455,740) |
| Exchange differences | (11,305) | (14,995) | (26,300) |
| Total deferred tax asset | (580,660) | 26,946 | (553,715) |
| Unrecognized deferred tax asset | 580,660 | (26,946) | 553,715 |
| | - | - | - |

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25. DEFERRED INCOME TAX (CONTINUED)

(c) Carrying amount

The Group has recognised all deferred tax liabilities arising from temporary differences associated with the Group's investments in subsidiaries and equity accounted investees.

(d) Unrecognised deferred tax assets

The deferred tax asset has not been recognised on deductible temporary differences and tax losses carried forward amounting to KShs 2,264,457,000 (2023: KShs 2,312,874,000) for the group and KShs 1,783,407,000 (2023: KShs 1,519,133,000) for the company due to lack of certainty of availability of future taxable profits against which such deductible temporary differences and tax losses could be utilised. Under the Kenyan Income Tax Act, with effect from 1 July 2024, the tax losses of KShs 1,783,407,000 (2023: KShs 1,519,133,000) can be carried forward indefinitely.

(e) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows

| Group | | |
|---|--------------------|-----------------------|
| Summary of deferred tax assets-Tax loss | | |
| Year of origin | Tax loss KShs'000 | Deferred tax KShs'000 |
| 2014 | (395,813) | (118,744) |
| 2015 | (35,490) | (10,647) |
| 2016 | (859,126) | (257,738) |
| 2018 | (426,885) | (128,065) |
| 2019 | (241,178) | (72,353) |
| 2021 | (128,974) | (38,692) |
| 2022 | (83,660) | (25,098) |
| 2023 | (141,744) | (42,524) |
| 2024 | 48,413 | 14,524 |
| Total | (2,264,457) | (679,337) |

Company

Summary of deferred tax assets-Tax loss

| Year of origin | Tax loss KShs'000 | Deferred tax KShs'000 |
|----------------|--------------------|-----------------------|
| 2016 | (697,087) | (209,125) |
| 2018 | (356,325) | (106,897) |
| 2019 | (165,247) | (49,574) |
| 2021 | (112,324) | (33,697) |
| 2022 | (64,937) | (19,481) |
| 2023 | (123,210) | (36,965) |
| 2024 | (264,277) | (79,283) |
| Total | (1,783,407) | (535,022) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

25. DEFERRED INCOME TAX (CONTINUED)

(e) Tax losses carried forward (continued)

In 2024, the Company incurred a tax loss of KShs 38,384,000 increasing cumulative tax losses to KShs 1,783,405,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2024, the Group's Burundi subsidiary incurred a tax profit of KShs 12,921,000 reducing cumulative tax losses to KShs 119,735,000. Management has determined that the recoverability of cumulative tax losses is uncertain due to the political uncertainty and shortage of hard currency, management has therefore opted not to recognize further deferred tax until the subsidiary is profitable.

In 2024, the Group's Tanzania subsidiary incurred a tax loss of KShs 5,160,000 increasing cumulative tax losses to KShs 87,544,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2024, the Group's Uganda subsidiary had a tax profit of KShs 886,000 reducing cumulative tax losses to KShs 99,389,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2024, the Group's Local subsidiary Yana Tyre Centre Ltd incurred a tax loss of KShs Nil maintaining cumulative tax losses to KShs 163,607,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

26. TRADE AND OTHER PAYABLES

(a) Carrying amounts

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Non - current | | | | |
| Amounts due to subsidiaries (Note 30(d)) | - | - | 250,994 | 268,532 |
| Current | | | | |
| Trade payables | 1,819 | 33,761 | 1,977 | 32,901 |
| Amounts due to related companies (Note 30(d)) | - | - | - | - |
| Deposit paid (asset held for sale) | 461,988 | 113,582 | 461,988 | 113,582 |
| Accrued expenses and other payables | 303,006 | 310,338 | 194,729 | 198,452 |
| | 766,813 | 457,681 | 658,694 | 344,935 |
| | 766,813 | 457,681 | 909,688 | 613,467 |

Information on the Group's exposure to currency and liquidity risk is included in Note 5(b) and (e).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

27. STATEMENT OF CASH FLOWS – RECONCILIATION OF RECEIPTS AND PAYMENTS

| | Note | Group | | Company | |
|--|----------|------------------|------------------|------------------|------------------|
| | | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Cash receipts from customers | | | | | |
| Revenue | 8 | 389,478 | 390,498 | 308,818 | 324,798 |
| Other income | 9 (a) | 1,131 | 23,844 | 974 | 9,388 |
| Net foreign exchange losses | | - | - | - | - |
| Translation differences | | 3,050 | (3,877) | - | - |
| Deposit on sale of land | | 380,052 | - | 380,052 | - |
| Movement in trade and other receivables | 21 | 89,910 | (2,775) | 70,546 | 392 |
| Cash collections from customers | | 863,622 | 407,690 | 760,389 | 334,578 |
| Cash payments for purchases | | | | | |
| Opening inventory stock | 20 | - | (30,323) | - | (29,486) |
| Cost of sales | 9 (b) | 15,955 | 34,483 | 10,969 | 30,385 |
| Closing inventory stock | 20 | - | - | - | - |
| Movement in trade payables | 26 (a) | 31,942 | 16,724 | 30,924 | 8,755 |
| | | 47,897 | 20,884 | 41,893 | 9,654 |
| Adjustments for non-cash expenses | | | | | |
| Depreciation and amortisation | 9 (c) | (15,911) | (13,269) | (10,583) | (8,630) |
| Net foreign exchange losses | | - | 16,421 | - | 17,939 |
| Prior period provision for tax | | - | 4,778 | - | - |
| | | 15,911 | 7,930 | 10,583 | 9,309 |
| Cash payment for purchases | | 31,986 | 28,814 | 31,310 | 18,963 |
| Cash payments for expenses | | | | | |
| Other operating expenses | 9(b)(ii) | 176,576 | 148,922 | 54,614 | 117,444 |
| Net foreign exchange losses | | (83,606) | - | (90,694) | - |
| Movement in other receivables | | 51,871 | 104,936 | 171,494 | 156,847 |
| Movement in accruals and other payables | 26(a) | 38,978 | (146,286) | 52,907 | (115,406) |
| Cash payments for expenses | | 183,819 | 105,572 | 188,321 | 158,885 |

(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| Group | Net balance at 1 | | Payments KShs'000 | Net balance at 31 December KShs'000 |
|-------------------------|---------------------|--|----------------------|---|
| | January KShs'000 | | | |
| Non-current | | | | |
| Long term loans | 540,692 | | (540,692) | - |
| Total borrowings | 540,692 | | (540,692) | - |

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28. COMMITMENTS

Capital expenditure contracted for as at the reporting date but not recognised in the financial statements was as follows:

| | Group | | Company | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 KShs '000 | 2023 KShs '000 | 2024 KShs '000 | 2023 KShs '000 |
| Property, plant and equipment | 7,337 | 17,241 | 7,337 | 17,241 |

29. CONTINGENT LIABILITIES

A subsidiary has disputed one assessment by the Revenue Authority of the subsidiary's jurisdiction. Although the subsidiary has appealed and objected against the assessment, should the appeal and objection not be successful, then additional tax, interest and penalties are estimated to amount to Kshs 71 million. Based on legal and tax advice, the directors believe that the defence against the action will be successful.

The Company has several ongoing legal cases, claims are estimated at Kshs 38 million. Based on legal advice, the directors believe that the defence against the claims will be successful.

30. RELATED PARTY TRANSACTIONS

(a) Parent and ultimate controlling party

The Group's majority shareholding is held by Sameer Investments Limited a company incorporated in Kenya. The parent company held equity interest and voting rights in the company of 72.48% (2023: 72.48%).

The ultimate controlling party is Yana Towers Limited; a company incorporated in Kenya.

Neither the parent nor the ultimate controlling party nor any intermediary parents produces consolidated financial statements available for public use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with key management personnel

(i) Key management compensation

Key management compensation comprised the following;

| | Group | | Company | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Basic pay and other allowances | 29,532 | 27,218 | 29,532 | 27,218 |
| Pension/gratuity | 4,771 | 5,401 | 4,771 | 5,401 |
| Total | 34,303 | 32,619 | 34,303 | 32,619 |

(ii) Directors' shareholding

At 31 December directors' shareholding in the company was as follows:

| | 2024 Shares | 2023 Shares |
|---|----------------|----------------|
| Peter Gitonga | 12,750 | 12,750 |
| Akif H. Butt | 450 | 450 |
| Sameer N. Merali | 15,000 | 15,000 |
| Akif H. Butt (jointly with another party) | 20,000 | 20,000 |

(iii) Directors' remuneration

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Directors' remuneration | | | | |
| Fees as directors | 5,104 | 5,100 | 5,104 | 5,100 |
| Other emoluments (included under key management compensation above) | 1,980 | 1,840 | 1,980 | 1,840 |
| Managing director | 18,480 | 16,800 | 18,480 | 16,800 |
| Total remuneration of directors of the company | 25,564 | 23,740 | 25,564 | 23,740 |

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30. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other related parties

In addition to the parent and the ultimate controlling party, the Group also has other companies that are related through common shareholdings or common directorships.

Transactions with related parties included the following:

(i) Sale of goods and services

| | Group | | Company | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| Other related parties | | | | |
| Ryce East Africa Limited | 2,709 | 1,879 | 2,709 | 1,879 |
| Frontier Optical | 1,243 | 1,179 | 1,243 | 1,179 |
| Yana oil Limited | 15,145 | 15,270 | 15,145 | 15,270 |
| Sasini Avacado EPZ | 12,253 | 12,095 | - | - |
| | 31,350 | 30,423 | 19,097 | 18,328 |

(ii) Purchase of goods and services

| | Group and Company | |
|------------------------------|-------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 |
| Other related parties | | |
| Ryce East Africa Limited | - | 147 |
| Warren enterprises | 24,066 | 86,189 |
| | 24,066 | 86,336 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Outstanding balances

At 31 December 2024, outstanding balances with related parties comprised the following;

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2024 KShs'000 | 2023 KShs'000 | 2024 KShs'000 | 2023 KShs'000 |
| (i) Amounts due from: | | | | |
| Subsidiaries | | | | |
| Sameer Industrial Park Limited | - | - | 229,989 | 135,398 |
| | - | - | 229,989 | 135,398 |
| Associate | | | | |
| Sameer Business Park Limited | 1,666 | 10,684 | 1,666 | 10,684 |
| Other related parties | | | | |
| Ryce East Africa Limited | 1,392 | 61 | 1,392 | 61 |
| Sasini Avocado EPZ | 3,657 | 3,657 | - | - |
| Frontier Opticals | 45 | 313 | 45 | 313 |
| Yana oil Limited | 8,221 | 12,903 | 8,221 | 12,903 |
| | 12,544 | 16,934 | 9,658 | 13,277 |
| Total due from other related parties | 14,210 | 27,618 | 11,324 | 23,961 |
| (ii) Amounts due to: | | | | |
| Subsidiaries | | | | |
| Sameer Africa(Uganda) Limited | - | - | - | 55,756 |
| Sameer EPZ Limited | - | - | 250,994 | 212,776 |
| | - | - | 250,994 | 268,532 |

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30. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Borrowings from related parties

| Group and company | Currency | Nominal interest | 31 December 2024 | |
|-------------------------------|----------|------------------|------------------|-----------------|
| | | | Face value | Carrying amount |
| | | | KShs'000 | KShs'000 |
| Term loan –Sameer Investments | USD | 7.00% | 440,692 | - |
| Term loan –Sameer Telkom | KSH | 11.00% | 100,000 | - |
| | | | 540,692 | - |

| Group and company | Currency | Nominal interest | 31 December 2023 | |
|-------------------------------|----------|------------------|------------------|-----------------|
| | | | Face value | Carrying amount |
| | | | KShs'000 | KShs'000 |
| Term loan –Sameer Investments | USD | 7.00% | 440,692 | 440,692 |
| Term loan –Sameer Telkom | KSH | 11.00% | 100,000 | 100,000 |
| | | | 540,692 | 540,692 |

(f) Trading terms and settlement

All transactions with related parties are at an arm's length basis and in the ordinary course of business. Outstanding balances are to be settled in cash. No guarantees have been given or received to any related party.

31. EVENTS AFTER THE REPORTING PERIOD

There were no adjusting or non-adjusting events after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

32. PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION

Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2024 are as follows:

| Name | Number of shares | % |
|---|------------------|--------|
| 1. Sameer Investments Limited | 201,743,205 | 72.48% |
| 2. Patrick Njogu Kariuki Family Trust Registered Trustees | 5,618,700 | 2.02% |
| 3. Yana Trading Limited | 5,273,700 | 1.90% |
| 4. Andrew Mukite Musangi | 3,320,000 | 1.19% |
| 5. Best Investment Decisions Ltd | 2,495,400 | 0.90% |
| 6. Bid Management Consultancy Limited | 2,319,400 | 0.83% |
| 7. Kenyalogy.Com Limited | 2,189,200 | 0.79% |
| 8. Kenya Commercial Bank Nominees Limited A/C 915B | 1,892,517 | 0.68% |
| 9. Freight Forwarders Kenya Limited | 1,875,000 | 0.67% |
| 10. Utaridi Partners Limited | 1,779,600 | 0.64% |

Distribution of shareholders

| Share range | Number of shareholders | Number of shares | % |
|---------------------|------------------------|--------------------|-------------|
| 1 - 500 | 8,227 | 2,151,091 | 0.77% |
| 501 - 5,000 | 4,693 | 7,283,200 | 2.62% |
| 5,001 - 10,000 | 388 | 2,939,791 | 1.06% |
| 10,001 - 100,000 | 389 | 11,787,512 | 4.23% |
| 100,001 - 1,000,000 | 67 | 20,069,977 | 7.21% |
| Over 1,000,000 | 15 | 234,110,822 | 84.11% |
| Total | 13,779 | 278,342,393 | 100% |

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NOTICE OF THE 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 56th Annual General Meeting (AGM) of the Shareholders of Sameer Africa PLC will be held by electronic communication on **Thursday 19th June 2025** starting at **10.00 a.m.** in the manner set out in the notes to transact the following business:

1. Constitution of the Meeting

To read the notice convening the meeting and determine if a quorum is present.

ORDINARY BUSINESS

2. Report and Financial Statements for the Year ended 31st December 2024

To receive, consider and, if deemed fit, adopt the Audited Consolidated Financial Statements for the year ended 31st December 2024 together with the reports of the Directors and Auditors thereon.

3. Dividend

To note that the Directors do not recommend the payment of a dividend for the financial year ended 31st December 2024.

4. Elections of Directors

i. In accordance with Articles 1.123, 1.124, and 1.125 of the Company's Article of Association, the following Director retires by rotation, and being eligible, offers himself for re-election:

a. Mr. Akif H. Butt

ii. Pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, to approve the continuation in office of the following Directors who are over seventy years old:

a. Eng. Erastus K. Mwangera

b. Mr. Peter Gitonga

iii. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following Directors, being members of the Board Audit, Risk and Corporate Governance Committee, be elected to continue to serve as members of the said Committee:

a. Dr. Lydia M. Mbuthia

b. Ms. Patricia W. Kiwanuka

c. Mr. Sameer N. Merali

5. Remuneration of Directors

To receive, consider, and if deemed fit, approve the Directors' Remuneration Report and to authorize the Board to fix the remuneration of Directors.

6. Appointment of Auditors

To re-appoint Messrs. RSM Eastern Africa LLP, Certified Public Accountants, as the Auditors of the Company until the conclusion of the next Annual General Meeting in accordance with the provisions of section 721(2) of the Companies Act, 2015 and to authorize the Directors to fix their remuneration for the ensuing year.

ORDINARY BUSINESS

7. Delegation of Authority to the Board

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

To authorize the Board to formulate, approve, implement and regularly review policy documents as a continuing obligation envisaged under Regulation 8.21 of the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 for:

i. Board Remuneration;

ii. Effective Communication with Stakeholders;

iii. Corporate Disclosures Policies and Procedures;

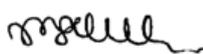
iv. Dispute Resolution for Internal and External Dispute; and

v. Board Members' attraction and Retention.

8. Any Other Business

To consider any other business for which due notice has been given.

By Order of the Board



Ms. Millicent Ngetich

Company Secretary

27th May 2025

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Notes

1. Sameer Africa PLC has convened and will conduct this electronic Annual General Meeting ("AGM") pursuant to Section 283 of the Companies Act and Article 1.77 of the Company's Articles of Association.
2. Shareholders wishing to participate in the meeting should register for the AGM by doing the following:
 - a. Dialing *483*905# for all networks and following the various prompts regarding the registration process; or
 - b. Sending an email request to be registered to SameerAgm@image.co.ke; or
 - c. Shareholders with email addresses will receive a registration link via email which they can use to register.

In order to complete the registration process, Shareholders will need to have their ID/Passport Numbers, which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance, Shareholders should dial the following helpline number: +254 709 170 000 from 9.00 a.m. to 5.00 p.m. from Monday to Friday or send an email to SameerAgm@image.co.ke.

3. Registration for the AGM opens on Thursday 29th May 2025 at 8.00 a.m. (EAT) and will close on Tuesday 17th June 2025 at 10.00 a.m. (EAT). Shareholders will not be able to register after this time.
4. In accordance with Section 283(3) of the Companies Act, the following documents are available for viewing on the Company's website <https://sameerafrica.com/>.
 - a. A copy of this Notice;
 - b. The Proxy Form; and
 - c. The Company's Financial Statements and reports for the year 2024.

The reports may also be accessed upon request by dialing the USSD code *483*905# and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by one of the following options:
 - a. By dialing the USSD code *483*905# and selecting the option 'Ask Question' on the prompts.
 - b. Sending their written questions by email to SameerAgm@image.co.ke; or
 - c. To the extent possible, physically delivering or posting their written questions with a return physical address or email address to Image Registrars Limited offices at 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287- 00100 Nairobi.

Shareholders must provide their full details (full names, Kenyan national identity/passport Number/CDSC Account Number) when submitting their questions and clarifications. All questions and clarifications must be submitted to the Company before the conclusion of the AGM. Shareholders will also be able to dial in and ask questions during the AGM by choosing the option Request to Speak.

A full list of all the questions received and the answers thereto will be published on the Company's website no later than twenty-four (24) hours following the conclusion of the meeting.

6. In accordance with Section 298(1) of the Companies Act, Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company.

7. The proxy form can be obtained from the Company's website via this link: <https://sameerafrica.com/>. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street. A proxy must be signed by the appointor or his/her attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such corporation or Government office.

A duly completed form of proxy should be emailed to SameerAgm@image.co.ke in PDF format, or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P. O. Box 9287- 00100 GPO, Nairobi, so as to be received not later than Tuesday 17th June 2025 at 10.00 a.m..

8. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS prompt shall be sent at least one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time. The link will be sent to registered shareholders via SMS and Email (where applicable) 24 hours before the meeting.
9. Duly registered Shareholders and proxies may follow the proceedings of the AGM using the livestream platform. Shareholders will receive an SMS prompt with instructions on their registered mobile phone numbers alerting them to propose or to second the resolutions put forward in the Notice.
10. A Poll shall be conducted for all the Resolutions put forward in this Notice. Duly registered shareholders and proxies wishing to vote may do so:
 - a. By dialing the USSD code *483*905# and selecting the option 'Vote' option on the prompts; or
 - b. Via the Vote option on the livestream link.

Voting will open on 17th June 2025 at 12.00 p.m. and will close at the conclusion of the AGM.

11. Results of the resolutions voted on during the AGM will be published on the Company's website within twenty-four (24) hours following conclusion of the AGM.

Should any changes relating to the AGM be necessitated by any laws or regulations, updates will be posted on the Company's website <https://sameerafrica.com/> and shareholders are encouraged to continuously monitor the same.

TANGAZO LA MKUTANO MKUU WA MWAKA WA 56

TAARIFA INATOLEWA kwamba Mkutano Mkuu wa 56 wa Wanahisa wa Sameer Africa PLC utafanyika kwa mawasiliano ya kielektroniki siku ya **Alhamisi** tarehe **19 Juni 2025** kuanzia saa **10.00 asubuhi** kwa namna iliyoainishwa katika maelezo ili kufanya shughuli zifuatazo:

1. Katiba ya Mkutano

Kusoma notisi ya kuitisha mkutano na kuamua kama akidi ipo.

SHUGHULI ZA KAWAIDA

2. Ripoti na Taarifa za Fedha kwa Mwaka ulioishia tarehe 31 Desemba 2024

Ili kupokea, kuzingatia na, ikionekana inafaa, kupitisha Taarifa Jumuishi za Fedha Zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2024 pamoja na ripoti za Wakurugenzi na Wakaguzi wa Hesabu.

3. Gawio

Ikumbukwe kwamba Wakurugenzi hawapendekezi malipo ya gawio kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2024.

4. Uchaguzi wa Wakurugenzi

i. Kwa mujibu wa Vifungu 1.123, 1.124, na 1.125 vya Kifungu cha Ushirika cha Kampuni, Wakurugenzi wafuatao hustaafu kwa zamu, na kwa kuwa wanastahiki, wanajitolea kuchaguliwa tena:

a. Bw. Akif H. Butt

ii. Kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Kanuni za Utawala Bora kwa Watoaji wa Dhamana kwa Umma 2015, ili kuidhinisha kuendelea kuwa madarakani kwa Wakurugenzi wafuatao walio na umri wa zaidi ya miaka sabini:

a. Mhandisi Erasto K. Mwongera

b. Bw. Peter Gitonga

iii. Kwa mujibu wa masharti ya Kifungu cha 769 cha Sheria ya Makampuni, 2015, Wakurugenzi wafuatao, wakiwa ni wajumbe wa Kamati ya Ukaguzi, Hatari na Utawala Bora ya Bodi, na kutegemea kuchaguliwa tena kuendelea kuhudumu kama Wakurugenzi ikiwa itakavyowezezana, watachaguliwa kuendelea kuhudumu kama wajumbe wa Kamati iliyotajwa:

a. Dkt. Lydia M. Mbuthia

b. Bi. Patricia W. Kiwanuka

c. Bw. Sameer N. Merali

5. Malipo ya Wakurugenzi

Ili kupokea, kuzingatia, na ikionekana inafaa, kuidhinisha Ripoti ya Mishahara ya Wakurugenzi na kuidhinisha Bodi kurekebi-sha malipo ya Wakurugenzi.

6. Uteuzi wa Wakaguzi wa Mahesabu

Kuteua tena Messrs. RSM Eastern Africa LLP, Wahasibu wa Umma Walioidhinishwa, kama Wakaguzi wa Hesabu wa Kampuni hadi kukamilika kwa Mkutano Mkuu ujao wa Mwaka kwa mujibu wa masharti ya kifungu cha 721(2) cha Sheria ya Makampuni, 2015.

SHUGHULI MAALUMU

7. Kukasimu Mamlaka kwa Bodi

Kuzingatia na, ikizingatiwa inafaa, kupitisha Azimio lifuatalo kama Azimio la Kawaida:

Kuidhinisha Bodi kutunga, kuidhinisha, kutekeleza na kupitia upya hati za sera mara kwa mara kama dhima endelevu inayotarajiwa chini ya Kanuni ya 8.21 ya Ratiba ya Kumi na Tatu ya Kanuni za Masoko ya Mitaji (Matoleo ya Umma, Uorodheshaji na Ufichuzi) za 2023 kwa:

(i) Malipo ya Bodi;

(ii) Mawasiliano yenye ufanisi na Wadau;

(iii) Sera na Taratibu za Ufichuzi wa Mashirika;

(iv) Utatuzi wa Migogoro kwa Migogoro ya Ndani na Nje; na

(v) Kuvutia na kubaki kwa Wajumbe wa Bodi.

8. Shughuli Nyinginezo

Kuzingatia biashara nyingine yoyote ambayo ilani inayostahili imetolewa.

BI. MILLICENT NGETICH KATIBU WA KAMPUNI



27 Mei 2025

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Matini:

1. Sameer Africa PLC imekutana na itaendesha Mkutano huu Mkuu wa Mwaka wa kielektroniki ("AGM") kwa mujibu wa Kifungu cha 283 cha Sheria ya Makampuni na Kifungu 1.77 cha Kanuni za Muungano za Kampuni.

2. Wanahisa wanaotaka kushiriki katika Mkutano Mkuu wa Mwaka (AGM) wanapaswa kujisajili kwa kufanya yafuatayo:

- Piga *483*905# kwa mitandao yote na kufuata maelekezo mbalimbali kuhusu mchakato wa usajili; au
- Kutuma ombi la baruapepe ili kusajiliwa kwa SameerAgm@image.co.ke; au
- Wanahisa walio na anwani za baruapepe watapokea kiungo cha usajili kupitia baruapepe ambacho wanaweza kutumia kujisajili.

Ili kukamilisha mchakato wa usajili, Wanahisa watahitaji kuwa na Vitambulisho/Nambari zao za Pasipoti, ambazo zilitumika kununua hisa zao na/au Nambari zao za Akaunti ya CDSC karibu. Kwa usaidizi, Wanahisa wanapaswa kupiga nambari ya simu ifuatayo: +254 709 170 000 kuanzia saa 9.00 asubuhi hadi 5.00 jioni kuanzia Jumatatu hadi Ijumaa au tuma baruapepe kwa SameerAgm@image.co.ke.

3. Usajili wa kuhudhuria Mkutano Mkuu wa Mwaka utafunguliwa Alhamisi tarehe 29 Mei 2025 saa 8.00 asubuhi saa za Afrika Mashariki na kufungwa Jumanne tarehe 17 Juni 2025 saa 10.00 asubuhi saa za Afrika Mashariki. Wanahisa hawataweza kujisajili baada ya muda huu.

4. Kwa mujibu wa Kifungu cha 283(3) cha Sheria ya Makampuni, stakabadhi zifuatazo zinapatikana ili kutazamwa kwenye tovuti ya Kampuni <https://sameerafrica.com/>.

- Nakala ya Notisi hii;
- Fomu ya Wakala; na
- Taarifa za Fedha za Kampuni na ripoti za mwaka wa 2024.

Ripoti zinaweza pia kufikiwa baada ya ombi kwa kupiga *483*905# na kuchagua chaguo la Ripoti. Ripoti na ajenda pia zinaweza kufikiwa kwenye kiungo mubashara.

5. Wanahisa wanaotaka kuuliza maswali au ufafanuzi wowote kuhusu Mkutano Mkuu wa Mwaka (AGM) wanaweza kufanya hivyo kwa mojawapo ya chaguzi zifuatazo:

- Kwa kupiga *483*905# na kuchagua chaguo la 'Uliza Swali' kwenye madokezo.
- Kutuma maswali yao yaliyoandikwa kwa baruapepe kwa SameerAgm@image.co.ke; au
- Kwa kadiri inavyowezekana, kuwasilisha au kutuma maswali yao kimaandishi kwa kutumia anuani halisi au baruapepe kwa ofisi za Image Registrars Limited katika Ghorofa ya 5, Absa Towers (zamani Barclays Plaza), Loita Street, P.O. Box 9287- 00100 Nairobi.

Wanahisa lazima watoe maelezo yao kamili (majina kamili, utambulisho wa kitaifa wa Kenya/Nambari ya pasipoti/Nambari ya Akaunti ya CDSC) wanapowasilisha maswali na ufafanuzi wao. Maswali na ufafanuzi wote lazima uwasilishwe kwa Kampuni kabla ya kukamilika kwa AGM. Wanahisa pia wataweza kupiga simu na kuuliza maswali wakati wa AGM kwa kuchagua chaguo la Ombi la Kuzungumza.

Orodha kamili ya maswali yote yaliyopokelewa na majibu yake yatachapishwa kwenye tovuti ya Kampuni kabla ya saa ishirini na nne (24) baada ya kukamilika kwa mkutano.

6. Kwa mujibu wa Kifungu cha 298(1) cha Sheria ya Makampuni, Wanahisa walio na haki ya kuhudhuria na kupiga kura katika Mkutano Mkuu wa Mwaka wana haki ya

kuteua wakala kupiga kura kwa niaba yao. Wakala si lazima awe mwanachama wa Kampuni.

7. Fomu ya uwakilishi/uwakala inaweza kupatikana kutoka kwa tovuti ya Kampuni kupitia kiungo hiki: <https://sameerafrica.com/>. Nakala halisi za fomu ya wakala zinapatikana pia katika anwani ifuatayo: Ofisi za Image Registrars Limited, Ghorofa ya 5, Absa Towers (zamani Barclays Plaza), Mtaa wa Loita. Wakala lazima asainiwe na mteuaji au wakili wake aliyeidhinishwa kwa maandishi. Ikiwa mteuaji ni shirika la shirika, chombo kinachoteua wakala kitatolewa chini ya muhuri wake wa pamoja au chini ya mkono wa afisa au wakili aliyeidhinishwa ipasavyo wa shirika hilo au ofisi ya Serikali.

Fomu iliyojazwa ipasavyo ya uwakilishi/uwakala inapaswa kutumwa kwa baruapepe kwa SameerAgm@image.co.ke katika mfumo la PDF, au iwasilishwe kwa Image Registrars Limited, Ghorofa ya 5 ya Absa Towers (zamani Barclays Plaza), Loita Street, P. O. Box 9287 - 00100 GPO, Nairobi, ili ipokewe kabla ya tarehe 12 Juni saa nne asubuhi

8. Mkutano Mkuu wa Mwaka (AGM) utakuwa mubashara kupitia kwenye kiungo ambacho kitatolewa kwa wanahisa wote ambao watakuwa wamejisajili kushiriki. Wanahisa na washirika waliosajiliwa ipasavyo watapokea huduma ya ujumbe mfupi (SMS) kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya AGM kama ukumbusho wa AGM. Ujumbe wa pili wa SMS utatumwa angalau saa moja kabla ya AGM, kuwakumbusha wanahisa na washirika waliosajiliwa ipasavyo kwamba AGM itaanza baada ya saa moja. Kiungo kitatumwa kwa wanahisa waliosajiliwa kupitia SMS na Barua pepe (inapohitajika) saa 24 kabla ya mkutano.

9. Wanahisa na washirika waliosajiliwa ipasavyo wanaweza kufuata shughuli za Mkutano Mkuu wa Mwaka (AGM) mubashara. Wanahisa watapokea ujumbe wa SMS wenye maelekezo kwenye nambari zao za simu za mkononi zilizosajiliwa kuwatahadharisha kupendekeza au kuunga mkono maazimio yaliyotolewa katika Notisi.

10. Kura itafanywa kwa Maazimio yote yaliyotolewa katika Notisi hii. Wanahisa waliosajiliwa ipasavyo na wawakilishi wanaotaka kupiga kura wanaweza kufanya hivyo:

- Kwa kupiga *483*905# na kuchagua chaguo la 'Piga kura' kwenye vidokezo; au
- Kupitia chaguo la Kura kwenye kiungo mubashara.

Upigaji kura utafunguliwa tarehe 17 Juni 2025 saa 12.00 mchana. kufungwa mwishoni mwa Mkutano.

11. Matokeo ya maazimio yaliyopigiwa kura wakati wa AGM yatachapishwa kwenye tovuti ya Kampuni ndani ya saa ishirini na nne (24) baada ya kukamilika kwa Mkutano.

Iwapo mabadiliko yoyote yanayohusiana na AGM yatahitajika na sheria au kanuni zozote, masasisho yatachapishwa kwenye tovuti ya Kampuni <https://sameerafrica.com/> na wenyehisa wanahimizwa kufuatilia viyvo hivyo kila mara.

PROXY FORM

*I/We _____ of _____

_____ being a shareholder/shareholders of Sameer Africa PLC ("the Company"),

hereby appoint _____ of

_____ or failing him/her, _____, of _____ as my/our proxy to attend and vote for me/us/on my/our behalf at the Annual General Meeting (AGM) of the Company to be held on Thursday 19th June 2025 and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2025.

Signed _____

Signed _____

This Form is to be used to vote for or against any resolutions here below. Please mark as appropriate. Unless otherwise instructed, the proxy shall vote as he/she thinks fit.

| AGENDA ITEM | RESOLUTION | FOR | AGAINST |
|-------------|---|-----|---------|
| 2. | To adopt the Audited Consolidated Financial Statements for the year ended 31st December 2024 together with the reports of the Directors and Auditors thereon. | | |
| 4 (i) | To re-elect Mr. Akif H. Butt in accordance with Articles 1.123, 1.124, and 1.125 of the Company's Article of Association. | | |
| 4 (ii) | To approve the continuation in office of the Eng. Erastus K. Mwongera who is over seventy years old pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. | | |
| 4 (ii) | To approve the continuation in office of the Mr. Peter Gitonga who is over seventy years old pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. | | |
| 4 (iii) | To re-elect Dr. Lydia M. Mbutia to continue serving as a member of the Board Audit, Risk and Corporate Governance Committee in accordance with the provisions of Section 769 of the Companies Act, 2015. | | |
| 4 (iii) | To re-elect Ms. Patricia W. Kiwanuka to continue serving as a member of the Board Audit, Risk and Corporate Governance Committee in accordance with the provisions of Section 769 of the Companies Act, 2015. | | |
| 4 (iii) | To re-elect Mr. Sameer N. Merali to continue serving as a member of the Board Audit, Risk and Corporate Governance Committee in accordance with the provisions of Section 769 of the Companies Act, 2015. | | |
| 5. | To approve the Directors' Remuneration Report and authorize the Board to fix the remuneration of Directors. | | |
| 6. | To re-appoint Messrs. RSM Eastern Africa LLP as the Auditors of the Company until the conclusion of the next Annual General Meeting in accordance with the provisions of section 721(2) of the Companies Act, 2015 and to authorize the Directors to fix their remuneration for the ensuing year. | | |
| 7. | To authorize the Board to formulate, approve, implement and regularly review policy documents as a continuing obligation envisaged under Regulation 8.21 of the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 for: <ul style="list-style-type: none"> i. Board Remuneration; ii. Effective Communication with Stakeholders; iii. Corporate Disclosures Policies and Procedures; iv. Dispute Resolution for Internal and External Dispute; and v. Board Members' attraction and Retention. | | |

ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in **BLOCK CAPITALS**

Full name of Proxy(ies):

Address:

Please tick ONE of the boxes below and return to:

Image Registrars Limited, 5th Floor, Absa Towers, Loita Street, Nairobi

| | |
|--|--|
| | |
|--|--|

Mobile Number

Date

Signature: _____

Please tick ONE of the boxes below and return to:

Image Registrars Limited, 5th Floor, Absa Towers, Loita Street, Nairobi

| | |
|---|--|
| Approval of Registration I/We approve to register to participate in the virtual AGM to be held on 19th June 2025. | |
| Consent for use of the Mobile Number provided I/We would give my/our consent for the use of the mobile number provided for purposes of voting at the virtual AGM. | |

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed and returned (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars, 5th Floor, Absa Towers, Loita Street, Nairobi, or through their email address SameerAgm@image.co.ke, to arrive not later than 10.00 a.m. (EAT) on Tuesday 17th June 2025 i.e. 48 hours before the meeting or any adjournment thereof.
2. In case of a member being a corporate body, the Proxy Form must be signed under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. A proxy need not to be a shareholder of the Company.

FOMU YA UWAKILISHI

Mimi/Sis _____ wa _____

_____ nikiwa mwenyehisa/mwenyehisa wa Sameer Africa PLC ("Kampuni"),

ninampendekeza _____ wa _____

_____ ninamwangusha bwana/bi., _____, wa _____ kama wakala wangu/wetu kuhudhuria na kupiga kura kwa niamba yangu/yetu katika Mkutano Mkuu wa Kila Mwaka (AGM) wa Kampuni utaofanyika tarehe 19 Juni 2025.

Mimi/sisi kama mashahidi tunaunga mkono _____ siku ya _____ 2025.

Sahihi _____

Sahihi _____

Fomu hii itatumika kupigia kura au kupinga maazimio yoyote hapa chini. Tafadhali weka alama kama inafaa. Isipokuwa ikiwa imeelekezwa vinginevyo, wakala atapiga kura anavyoona inafaa.

| KIPENGELE CHA AGENDA | AZIMIO | KWA | DHIDI YA |
|----------------------|---|-----|----------|
| 2. | Kupitisha Taarifa Jumuishi za Fedha zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2024 pamoja na ripoti za Wakurugenzi na Wakaguzi wa Hesabu. | | |
| 4 (i) | Kumchagua tena Bw. Akif H. Butt kwa mujibu wa Vifungu 1.123, 1.124, na 1.125 vya Kifungu cha Kushirikiana cha Kampuni. | | |
| 4 (ii) | Kuidhinisha muda wa kuendelea kuhudumu ofisini kwa Mhandisi Erastus K. Mwongera ambaye ana umri wa zaidi ya miaka sabini kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Utawala Bora kwa Watoa Dhamana kwa Umma 2015. | | |
| 4 (ii) | Kuidhinisha kuendelea ofisini kwa Bw. Peter Gitonga ambaye ana umri wa zaidi ya miaka sabini kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Utawala Bora kwa Watoaji wa Dhamana kwa Umma 2015. | | |
| 4 (iii) | Kumchagua tena Dkt. Lydia M. Mbuthia kuendelea kuhudumu kama mjumbe wa Bodi ya Ukaguzi, Hatari na Shirika. Kamati ya Utawala kwa mujibu wa masharti ya Kifungu cha 769 cha Sheria ya Makampuni, 2015. | | |
| 4 (iii) | Kumchagua tena Bi. Patricia W. Kiwanuka kuendelea kuhudumu kama mjumbe wa Kamati ya Bodi ya Ukaguzi, Hatari na Utawala Bora kwa mujibu wa masharti ya Kifungu cha 769 cha Sheria ya Makampuni, 2015. | | |
| 4 (iii) | Kumchagua tena Bw. Sameer N. Merali kuendelea kuhudumu kama mjumbe wa Kamati ya Bodi ya Ukaguzi, Hatari na Utawala Bora kwa mujibu wa masharti ya Kifungu cha 769 cha Sheria ya Makampuni, 2015. | | |
| 5. | Kuidhinisha Ripoti ya Mishahara ya Wakurugenzi na kuidhinisha Bodi kurekebisha malipo ya Wakurugenzi. | | |
| 6. | Kuteua tena Messrs. RSM Eastern Africa LLP kama Wakaguzi wa Hesabu wa Kampuni hadi kukamilika kwa Mkutano Mkuu wa Mwaka ujao kwa mujibu wa masharti ya kifungu cha 721(2) cha Sheria ya Makampuni, 2015 na kuwaidhinisha Wakurugenzi kupanga malipo yao kwa mwaka unaofuata. | | |
| 7. | Kuidhinisha Bodi kutunga, kuidhinisha, kutekeleza na kupitia upya hati za sera mara kwa mara kama dhima endelevu inayotarajiwa chini ya Kanuni ya 8.21 ya Ratiba ya Kumi na Tatu ya Kanuni za Masoko ya Mitaji (Matoleo ya Umma, Uorodheshaji na Ufichuzi) za 2023 kwa: <ul style="list-style-type: none"> i. Malipo ya Bodi; ii. Mawasiliano yenye ufanisi na Wadau; iii. Sera na Taratibu za Ufichuzi wa Mashirika; iv. Utatuzi wa Migogoro kwa Migogoro ya Ndani na Nje; na v. Kuvutia na kubaki kwa Wajumbe wa Bodi. | | |

FOMU YA RIDHAA YA MAWASILIANO YA KIELEKTRONIKI

Jaza kwa **HERUFI KUBWA**

Jina/majina kamili ya wakala/mawakala:

Anwani:

Tafadhali weka alama kwenye kisanduku KIMOJA kati ya vilivyo hapa chini kisha urejeshe fomu hii kwa:

Image Registrars Limited, Ghorofa ya 5, Absa Towers, Mtaa wa Loita, Nairobi

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Nambari ya Simu

Tarehe

Sahihi: _____

Tafadhali weka alama kwenye kisanduku KIMOJA kati ya vilivyo hapa chini kisha urejeshe fomu hii kwa:

Image Registrars Limited, Ghorofa ya 5, Absa Towers, Mtaa wa Loita, Nairobi

| | |
|--|--|
| Idhini ya Usajili Mimi/Tunaidhinisha kujiandikisha ili kushiriki katika Mkutano Mkuu wa Mwaka (AGM) wa mtandaoni utakaofanyika tarehe 19 Juni 2025. | |
| Idhini ya matumizi ya Nambari ya Simu iliyotolewa Mimi/Sisi tunatoa idhini yangu/yetu kwa matumizi ya nambari ya simu iliyotolewa kwa sababu za kupiga kura katika Mkutano Mkuu wa Mwaka (AGM) wa mtandaoni. | |

Tanbihi:

- Ikiwa mwanachama hawezi kuhudhuria kibinafsi, Fomu hii ya Wakala inapaswa kujazwa na kurejeshwa (pamoja na mamlaka ya wakili au mamlaka nyingine (ikiwa ipo) ambayo imekabidhiwa au nakala iliyoidhinishwa iliyoidhinishwa ya mamlaka au mamlaka kama hiyo) kwa Image Registrars, Ghorofa ya 5, Absa Towers, Mtaa wa Loita, Nairobi, au kupitia baruapepe SameerAgm@image.co.ke kabla ya saa nne asubuhi saa za Afrika Mashariki siku ya Jumanne tarehe 17 Juni 2025 yaani saa 48 kabla ya mkutano au kuahirishwa kwake.
- Ikiwa mwanachama ni shirika, Fomu ya Wakala lazima isainiwe chini ya usimamizi wa afisa au wakili aliyeidhinishwa ipasavyo wa shirika hilo.
- Kama mwenyehisa una haki ya kuteua wakala mmoja au zaidi kutumia haki yako yote au yoyote ya wanahisa kuhudhuria na kuzungumza na kupiga kura kwa niaba yako kwenye mkutano. Wakala ha hitaji kuwa mwenyehisa wa Kampuni.





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