

ANNUAL REPORT AND FINANCIAL STATEMENTS 2025



Renewed Purpose:
Building Kenya's Future



A MEMBER OF
AMSONS GROUP



Bamburi
cement

Part of you. From the start



Annual & Financial Reporting:

This report applies the principles of Integrated Reporting to show how we manage the company sustainably, as well as the financial and non-financial value Bamburi Cement Limited created in 2025.

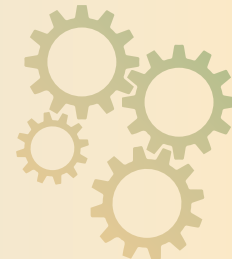


TABLE OF CONTENTS

1 Corporate information (WHO WE ARE)

About Bamburi Cement Group
About Holcim
Our Brands

2 Business Overview

Key Financial Highlights
Sustainability Data
Group Chairman's statement
Group CEO's statement)

3 Sustainability Review

Operational Review
Marketing Highlights
Health and Safety
Our People, Culture and Systems
Risk and Control

4 Corporate Governance Statement

Directors' Remuneration Report
Report of the Directors
Shareholder Profile
Statement of Directors' Responsibilities
Report of the Independent Auditors

5 Financial Statements:

Consolidated statement of Profit or Loss & Other Comprehensive Income
Company Statement of Profit or Loss & Other Comprehensive Income
Consolidated Statement of Financial Position
Company statement of Financial Position
Consolidated Statement of Changes in Equity
Company Statement of Changes in Equity
Consolidated Statement of Cash Flows
Company statement of Cash Flows
Notes to the Financial Statements

Business Overview

Sustainability Review

Governance

Financial Review



BUSINESS OVERVIEW

Partnering with customers to bring their ambitions to life Pg 6 - 11

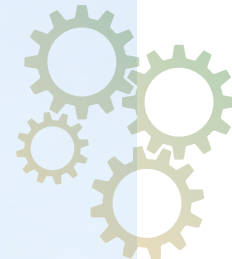
2025 OVERVIEW

Confirming our resilience and business continuity Pg 12 - 25

SUSTAINABILITY

Creating value for the business, people and the planet Pg 26 - 42





BAMBURI CEMENT PLC



Started in 1954, Bamburi Cement is a leading cement and concrete producer in Eastern Africa, and is listed on the Nairobi Securities Exchange.



Bamburi
cement

A leader in innovative and sustainable building solutions. Bamburi Cement builds progress for people and the planet, from where Bamburi draws its best practice inspiration.



Bamburi Cement is shaping a world that works for **People** and the **Planet**. It offers the widest and most innovative range of application-based cement and concrete products; and leads the industry in technical capacity.



With a rich history in **environmental rehabilitation, conservation and biodiversity**, our commitment to sustainability aims to build progress for people and planet.

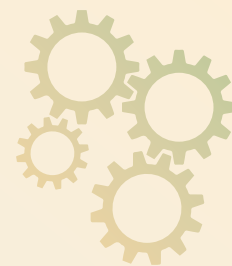
Business Overview

Sustainability Review

Governance

Financial Review





OUR SUBSIDIARIES



Bamburi Special Products Limited

The leading supplier of Readymix concrete and Precast concrete blocks with operations in Nairobi and Mombasa.



Bamburi Eco Systems Limited

The environmental arm of Bamburi Cement whose operations are in sustainable land use and quarry rehabilitation.



Diani Estates Limited

Diani's principal activity is management of land reserves on behalf of its parent company, Bamburi Cement.

OUR PLANTS

The Group operates 2 cement plants from where it serves the Kenya market as well as other export markets.

Operate 2 Plants in Kenya

- Integrated Plant (Clinkering and Cement) in Mombasa
- Grinding Plant (Cement) in Athi River



Following the conclusion of the takeover transaction, the new majority shareholder, **Amsons Group** acquired **96.54%** shareholding of the business as at the end of the year.

Business Overview

Sustainability Review

Governance

Financial Review

We delight in serving our customers with Excellence, by understanding their needs and providing innovative solutions.



Business Overview

Group - Key Financial Highlights	08
Value Added Statement	09
Chairman's Statement	16
Group CEO's Statement	24
Board of Directors	28
Executive Committee	32

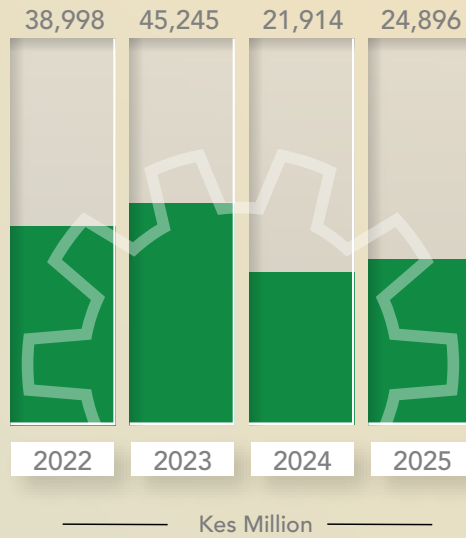




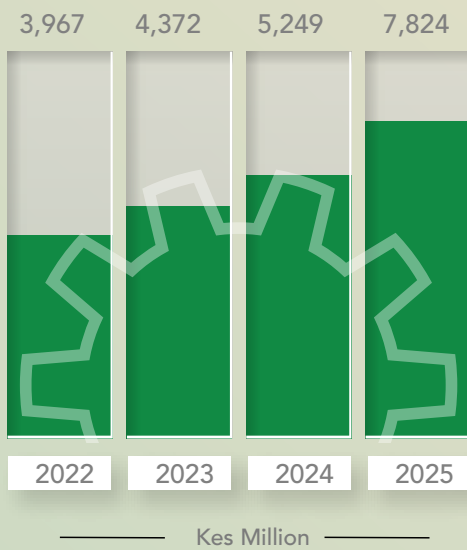
Our growth is faster than the market through high level service to customers; efficient route to market and strong value proposition to big projects.

GROUP KEY FINANCIAL PERFORMANCE

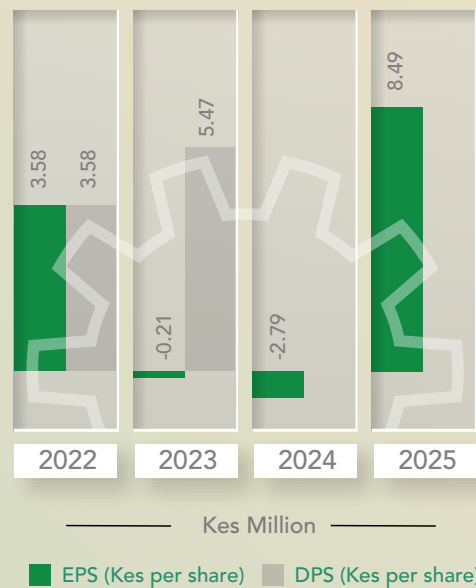
GROUP TURNOVER - KES MILLIONS

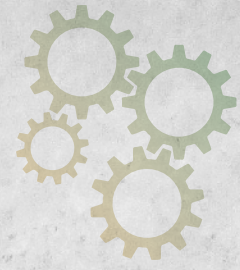


GROUP CASH AND CASH EQUIVALENTS

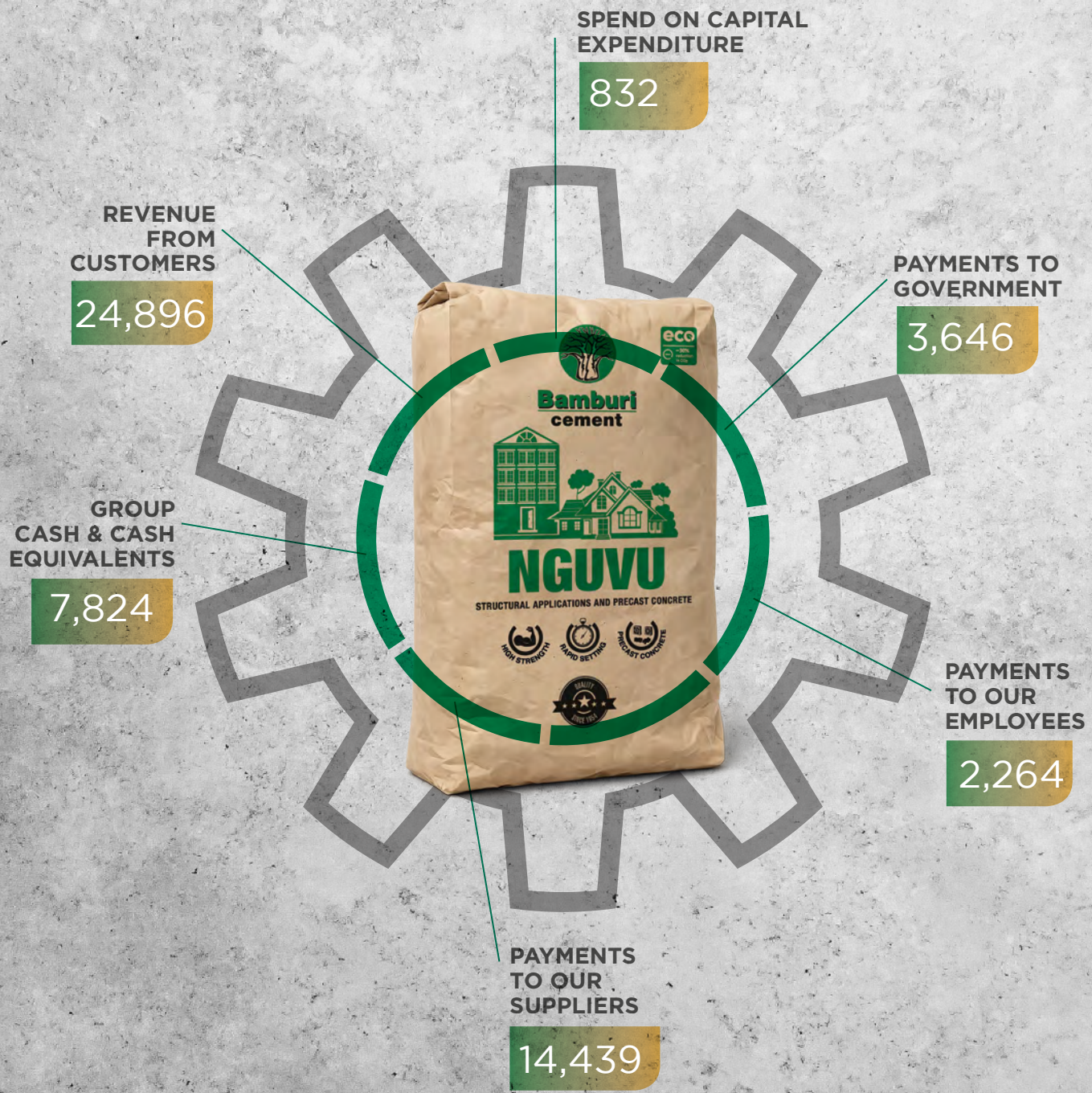


GROUP EARNINGS/ DIVIDEND PER SHARE



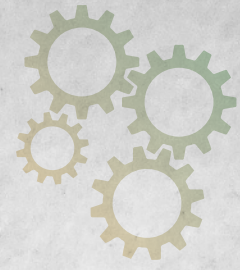


VALUE ADDED STATEMENT (GROUP) in MKes




- Business Overview
- Sustainability Review
- Governance
- Financial Review






SUSTAINABILITY DATA

7 Hectares
of limestone cleared
to rehabilitate the
Vipingo Quarry



**20MW Solar
Power Installation**
Clean energy source
provides significant
portion of the electricity
to run our Mombasa &
Nairobi plants, drastically
reducing our carbon
footprint.




2184 Kilos
Solid waste removed
from Mtopanga
River, preventing
pollution from
reaching Indian
Ocean marine eco-
system.



**190,000
Visitors**
attracted by Haller
Park & Forest Trails
annually.



**36,000
Individuals**
Benefited from our
free cervical cancer
screening clinics.



Business Overview

Sustainability Review

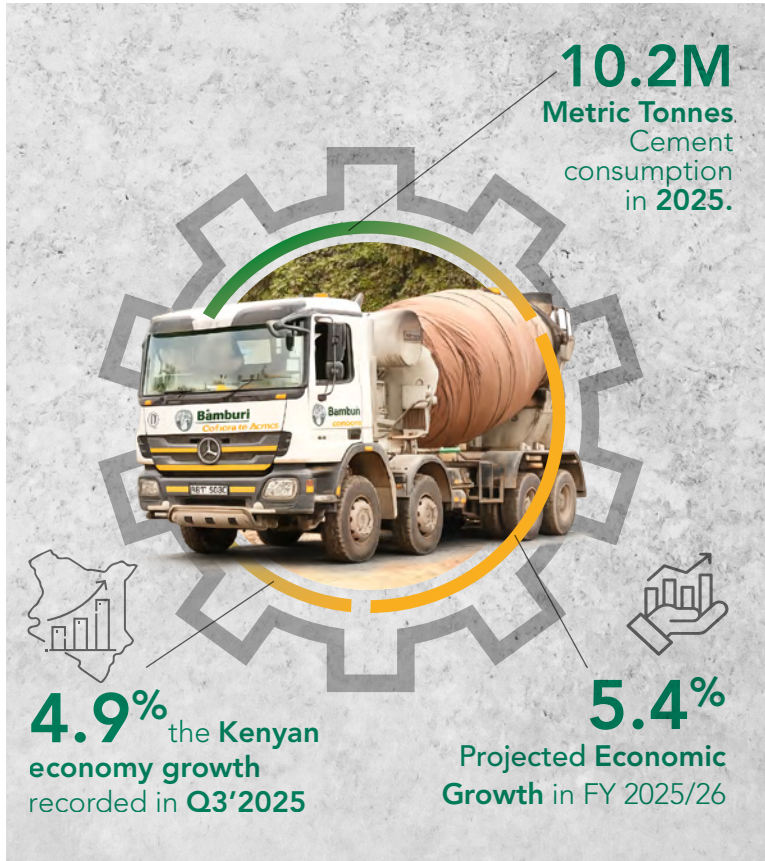
Governance

Financial Review

2025 OVERVIEW

COMMERCIAL

The company's top line performance improved, with the total turnover increasing by 12.5% to KShs 23.4 billion (2024: KShs 20.8 billion) and domestic sales volumes increasing by 13.6%. This performance is attributable to the higher volume sales and cost optimization initiatives in FY 25. We had growth in our bottom-line EBIT numbers growth by 35% to KShs 4.5 billion (2024: KShs 3.5 billion). The increase in sales volumes and turnover was mainly on account of increased retail demand and infrastructure projects.



Export sales revenues reduced by 72.5% to KShs 0.5 Billion (2024: KShs 2.1 Billion), driven mainly by reduction in export sales mainly in the South Sudan market. However, currently we have challenges in the South Sudan market which relates to taxation. As the EAC community continues to offer attractive sales opportunities, we will continue to play a major role in supplying construction solutions for critical infrastructure projects such as rail, power, roads, ports and water.

The Kenya cement market experienced a robust recovery and record setting growth, owing primarily to public infrastructure projects and affordable housing. According to KNBS, Cement consumption in 2025 was at 10.2 Million Metric Tonnes (2024: 8.5 Million Metric Tonnes). The parallel rise in both production and consumption of cement reflects strong construction sector growth supported by ongoing public infrastructure projects, private real estate developments and a gradual recovery in housing activity.

The Kenyan cement market is projected to experience strong growth in 2026, driven by high demand for infrastructure projects (e.g., Rironi-Mau Summit Road) and the government's Affordable Housing Programme, with annual demand anticipated to rise by 7-8%. The National

Infrastructure Fund In Kenya which is a KSH 5 Trillion aimed at financing large scale infrastructure projects, It seeks to transition away from high debt borrowing towards an investment-led, market-driven model using privatized funds

Lower interest rates and the recovery in infrastructure projects continue to drive competitive market dynamics. The supply challenges still continue to be experienced causing costs of inputs of cement to soar. This includes high energy costs, clinker shortages and logistics pressure. Further, the current war in the middle coast has increased the cost of key raw materials like coal at the global market.

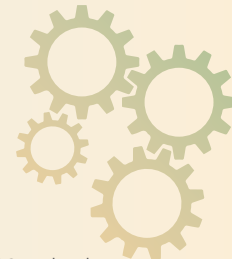
The company continues to reassert its presence in the EAC cement manufacturing sector poised for growth in the coming years by utilizing its planned additional capacity to launch new products. This capacity ensures that the organization continues to provide construction materials solutions to all segments, especially infrastructure where the government's focus is. The implementation of affordable housing by the government continues to provide much needed reassurance on its focus to Building for Growth by providing housing to the great

populace where there still exists a huge gap.

The company continued to upgrade the easy-to-use lead retail app that offers customers the convenience of placing and tracking their orders, viewing account balances and performance from the comfort of their business premises or home. Bamburi cement continues to focus on Customer loyalty and the new route to market programs to further gain better control of our markets. In addition, the direct sales channel is focused on tapping into the growing infrastructure segment with better value propositions leveraging on high quality products, logistics masterly, ready mix and precast business and the mobile lab facility.

The company continued to conduct its commercial activities in line with its vision to be the undisputed leader in the construction industry in East Africa by leveraging digital initiatives to deepen brand connection and loyalty among end users in the wake of increasing competitor pressure.

We launched a mason Kamkunji program which targets masons in main regions in Kenya. This consists of small gatherings offering an opportunity to train mason on



application of our products as well as offer a platform for response to any queries and clarifications. The program kicked off in May 2025. The program has improved our product affinity, ensuring higher purchase consideration and contributed to increased sales in the participating regions.

Bamburi Cement continues to focus its activities on pioneering sustainable construction within the construction sector and has used stakeholder engagement as the premise to garner buy-in from relevant government; local agencies and companies to collaborate towards the promotion of products with lower carbon emissions. Increased awareness about the use and impact of the company's Eco-label brands makes a real contribution to the biggest environmental challenges of our time, such as reaching climate neutrality by 2050, shifting to a circular economy and reaching the zero-pollution ambition for a toxic-free environment.

Economic growth is projected at 5.4% in FY 2025/26. In 2026, we expect the economy to continue its recovery trajectory with the projected GDP growth to come in at a range of 5.2% - 5.5%. The growth outlook is, however, subject to uncertainties, including slower than expected global and regional growth; a resurgence of supply chain distortions if the geopolitical tensions escalate, tighter fiscal policy in part due to unfavorable global financial markets, which could restrict government development expenditure, tighter credit conditions constraining household consumption and private sector investments. Kenya's economy grew by 4.9 per cent in 2024. The Kenyan

economy recorded a 4.9% growth in Q3'2025, higher than the 4.2% growth recorded in Q3'2024. The improved performance was largely driven by accelerated growth in key sectors, with Mining and Quarrying rebounding to 16.6% in Q3'2025 from a 12.2% contraction in Q3'2024, Construction expanding by 6.7% in Q3'2025 from a 2.6% contraction in Q3'2024.

Although the domestic monetary conditions remain tight, the current investment activities in the oil and gas sector, higher regional demand for exports on the back of expected higher growth in most of the Sub-Saharan African countries, resilient remittances and tourism inflows are expected to support economic growth. In addition, the low inflationary environment will support a recovery in household real incomes, spurring customer spending.

The Central Bank of Kenya (CBK), at the Monetary Policy Committee (MPC) meeting of December 2025, lowered the central Bank Rate (CBR) from 9.25% to 9%. As a result, the MPC urges the banks to lower their lending rates in order to stimulate credit to the private sector and therefore stimulate more economic activity. Although the outlook for both inflation was favorable, the MPC noted that inflation is expected to remain below the midpoint of the target range 5±2.5 percent. Therefore, keeping the CBR lower is necessary to anchor inflation around the target in the medium term, while at the same time supporting growth in private sector investment and socio-economic transformation.

MARKETING HIGHLIGHTS

Market Visits

In 2025, we prioritized engagements with our customers across the different regions as a way to better understand our customers and prospective customers. Led by our CEO, Commercial Director, relevant top management and sales teams, our visits focused on appreciating and understanding their challenges as well as opportunities. Overall, approximately 300 market visits were conducted throughout the year.

Industry Roadshows

Within the year under review, Bamburi Cement prioritized industry engagements on sustainable construction across the country. Through our subject matter experts, we strategically positioned our green products, innovation, product quality and integrity in industry conversations.



2025 OVERVIEW

Engineering Excellence at the Coast: The Mtwapa Raft Foundation Pour

As we expand our production capacity to meet Kenya's growing infrastructure demands, projects like the Mtwapa raft foundation demonstrate the depth of capability we are building across our operations.

The assignment called for **3,500 m³ of high-performance concrete** placed monolithically within 48 hours, a technically demanding scope complicated by a strict maximum fresh concrete temperature of 30°C and a coastal climate where aggregate temperatures peaked at 55°C.

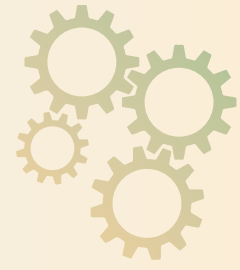
Our specification of Duraplus cement, with its lower heat of hydration profile, provided the engineered solution, underscoring its suitability for mass concreting in marine and aggressive environments. Executing this pour required the full breadth of our operational capability working in concert.

Temperature control measures, including ice-chilled mix water, hessian-wrapped mixer drums, and continuously wetted aggregate stockpiles, were deployed throughout, with quality personnel stationed both at the plant and on-site to maintain consistency under pressure.

This project is a reference-point example of the integrated, solutions-oriented approach that sets us apart, and a preview of the scale and sophistication with which we intend to serve Kenya's construction sector as our new 1.6 million tonne clinkerisation plant in Matuga, Kwale County, comes onstream to more than double our production capacity.

*The Mtwapa Raft Foundation pour assignment called for **3,500 m³ of high-performance concrete** placed monolithically within 48 hours, a technically demanding scope complicated by a strict maximum fresh concrete temperature of 30°C and a coastal climate where aggregate temperatures peaked at 55°C.*





STRATEGY & PROJECTS

National Development Roadmap boost: Kshs. 32 Billion Greenfield Clinker Factory construction agreement

We signed a US\$250 million (Kshs 32 billion) Engineering, Procurement, and Construction (EPC) contract with Sinoma CBMI Construction Co., Ltd for the construction of a turnkey clinkerisation factory in Matuga, Kwale County.

This state-of-the-art 1.6 million tonnes-a-year new clinkerisation plant will incorporate advanced, carbon-neutral technologies to reduce environmental impact, as part of our corporate strategy to double production capacity for quality cement and concrete products, thereby powering Kenya's infrastructure development and economic transformation.

Through the turnkey clinkerisation factory, we aim to more than double our clinker and cement production capacity, from 1 Million Tonnes to 2.6 Million Tonnes for Clinker and from 1.8 Million Tonnes to 4 Million Tonnes for quality cement.



Business Overview

Sustainability Review

Governance

Financial Review

GROUP CHAIRMAN'S STATEMENT

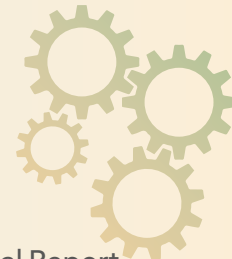
FOR THE YEAR ENDED 31 DECEMBER 2025



We believe the business is well-positioned to achieve and sustain improved financial performance across all segments, driven by disciplined execution, innovation, operational excellence, and sustainability-led initiatives.



Dr. John P. N. Simba
EGH, MBS, OGW.
Group Chairman



OVERVIEW

On behalf of the Board of Directors, it is my privilege to present the 2025 Integrated Annual Report and Audited Financial Statements of Bamburi Cement Public Limited Company (the “Company” or “Bamburi Cement PLC”) and its subsidiaries (together, the “Group”) for the year ended 31 December 2025.

We aim to more than double our clinker production capacity from 1 million tonnes to 2.6 million tonnes per annum, strengthening our ability to meet growing market demand.

.....

In our strategic milestone, we aim to build a new 1.6 million tonnes per annum state-of-the-art grinding plant in Matuga, Kwale County



The 2025 financial year marked a significant period of transition following the acquisition of Bamburi Cement PLC by AMSONS Group. This change in ownership represents a new chapter in the Company’s history, bringing renewed strategic direction, strengthened regional positioning, and enhanced long-term investment capacity. The integration process has been smooth and deliberate, with clear alignment between the new shareholder’s vision and the Group’s ambition to drive sustainable growth, operational efficiency, and market leadership within the region.

During the year, the Company undertook a major digital transformation initiative with the successful migration to a new enterprise resource planning (ERP) system. This transition to a modern platform has strengthened financial controls, enhanced data visibility, improved operational integration across functions, and positioned the business for improved decision-making through real-time analytics. While the implementation required significant effort, resources, and change management across the organisation, it establishes a strong digital foundation to support the Group’s future growth ambitions.

In a further strategic milestone, the business signed a US\$250 million engineering, procurement and construction (EPC) contract with Sinoma CBMI to build a new 1.6 million tonnes per annum grinding plant in Matuga, Kwale County. The construction of this state-of-the-art clinkerisation plant, incorporating advanced and carbon-neutral technologies to reduce environmental impact, forms part of Bamburi Cement PLC’s corporate strategy to significantly expand production capacity for quality cement and concrete products in support of Kenya’s infrastructure development and economic transformation. Through this turnkey clinkerisation plant, the Company

aims to more than double its clinker production capacity from 1 million tonnes to 2.6 million tonnes per annum, strengthening its ability to meet growing market demand.

Additionally, the business advanced its sustainability long-term strategy and value creation model. During the year, the Company continued to embed sustainable business practices across its operations to ensure a positive contribution to environmental stewardship and community livelihood enhancement.

In line with the Board’s oversight responsibilities, we continue to ensure that the Group’s ESG strategy remains aligned with its material risks, strategic objectives, and long-term value drivers. Sustainability considerations are firmly embedded in decision-making processes at both Board and management levels, reinforcing accountability, transparency, and long-term value creation.

OUTLOOK

Looking ahead, we remain confident and resolute in our commitment to delivering improved performance through disciplined execution of our 2026–2030 strategy and by capitalising on emerging opportunities within our markets.

The Board affirms its confidence in the Group’s strategic direction and management’s ability to deliver sustainable and profitable growth. We believe the business is well-positioned to achieve and sustain improved financial performance across all segments, driven by disciplined execution, innovation,

Business Overview

Sustainability Review

Governance

Financial Review

GROUP CHAIRMAN'S STATEMENT



operational excellence, and sustainability-led initiatives. With a strengthened shareholder base, agility in a dynamic business environment, modernised systems, expanded production capacity, and a clear long-term roadmap, Bamburi Cement PLC enters 2026 with renewed purpose and optimism.

Appreciation

On behalf of the Board, let me express my sincere gratitude to the Group Managing Director, the Leadership Team, our staff, customers, partners, shareholders, and all other stakeholders for their invaluable contribution, dedication, and support during 2025. And to my fellow directors, thank you for your contribution and cohesion which ensured a smooth transition from HOLCIM to the AMSONS GROUP. Without our collective commitment, the excellent results achieved could not have been possible. The Board will continue to provide management with the necessary oversight and guidance as they execute on the Company's strategic priorities and long-term growth agenda.

A handwritten signature in black ink, appearing to be 'John P. N. Simba', written over a horizontal line.

Dr. John P. N. Simba, EGH, MBS, OGW.


Chairman

28 April 2026



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

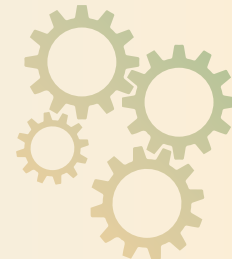
FOR THE YEAR ENDED 31 DECEMBER 2025



Our turnover grew by 14% compared to the prior year, supported by strong volume growth, logistics optimisation and strategic pricing actions; whilst our Operating profit increased by 61%



Geoffrey Ndugwa
Group Chief Executive Officer



“Strong performance driven by commercial execution and cost discipline.”

Overview

It is my honour to present the Bamburi Group Annual Report and Financial Statements for the year ended 31 December 2025. I extend my sincere appreciation to our employees whose commitment, professionalism and determination enabled us to capture emerging opportunities and deliver exceptional results.

Through their efforts, Bamburi has reinforced its position as a market leader, offering a suite of high-quality products and superior service across our markets. During the year under review, we remained focused on executing our strategic priorities, capturing market opportunities, enhancing operational efficiency and delivering sustainable value to our customers, shareholders and broader stakeholders.

The introduction of Duraplus, a slag-based cement reducing clinker by 15%, and Powermax, a limestone-based cement reducing clinker by 6%.

Our Net Cash generated from operating activities increased by 42% compared to the prior year, supported by strong operating performance and effective working capital management.



Margin and Profitability

In an environment characterised by inflationary pressures and cost volatility, we implemented disciplined micro-market pricing strategies and targeted commercial initiatives to protect and enhance margins.

Turnover grew by 14% compared to the prior year, supported by strong volume growth, logistics optimisation and strategic pricing actions. Operating profit increased by 61%, driven by sustained cost containment, improved industrial performance and effective commercial execution.

We achieved record price-over-cost improvements during the year and reduced logistics expenses through increased utilisation of rail transportation and other supply chain optimisation initiatives. Furthermore, improved performance across all Industrial Performance Benchmarks (IPB) contributed meaningfully to our solid financial results.

All subsidiaries, including Bamburi Special Products and Bamburi Eco Systems, delivered strong performance during the year, further strengthening the Group’s overall profitability Profile.

Operational Excellence

Operational and supply chain excellence remain critical to Bamburi Group’s competitiveness and long-term sustainability. During 2025, we implemented initiatives that enhanced industrial efficiency, streamlined supply chain processes, and improved service delivery, resulting in cost reductions,

higher reliability, superior product quality, and faster time-to-market.

Notable achievements include the successful turnaround of our ready-mix business and the launch of 3D-printed houses, reflecting our commitment to innovation in modern construction solutions. In addition, the introduction of new products—Duraplus, a slag-based cement reducing clinker by 15%, and Powermax, a limestone-based cement reducing clinker by 6% not only expanded our sales but also contributed to lower CO² emissions, reinforcing our sustainability agenda.

Customer Focus

Customer centricity continues to be a cornerstone of our strategy, guiding us to deliver tailored solutions that create value and strengthen long-term partnerships. In 2025, we deepened engagement through targeted initiatives including Customer Service Week celebrations, retailer and distributor visits across all markets, enhanced service delivery, participation in key industry events, and innovative marketing campaigns. These efforts strengthened relationships, enhanced the customer experience, and reinforced Bamburi Group’s leadership in the construction sector.


Sustainability

Sustainability remains embedded at the core of our operations and is a key pillar of our Group Strategy. I am proud of the significant progress achieved during the year across all sustainability dimensions.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025



 **We reduced carbon emissions across our operations through a number of initiatives, improved energy efficiency and expanded the use of alternative fuels.**

Our continued investment in green solutions and low-carbon products demonstrates our commitment to responsible growth and long-term environmental stewardship.

People and Culture

Our people remain our greatest asset. During the year, we successfully executed an organisational transition and stabilisation process, strengthening our leadership structure and operational alignment. Key people initiatives included: Introduction of monthly CEO engagement calls to enhance transparency and alignment, delivery of leadership development programme, covering three leadership levels, expansion of internal mobility opportunities to support career growth and an end-of-year staff celebration to reinforce connection, collaboration and a sense of community.

These initiatives have strengthened our culture, enhanced employee engagement and positioned us for sustained performance.

Cash Management

Disciplined cash and working capital management remained a strategic priority. We focused on inventory optimisation, improved receivables management and prudent capital allocation. As a result, net cash generated from operating activities increased by 42% compared to the prior year, supported by strong operating performance and effective working capital management.

Future Outlook

Looking ahead, we remain optimistic about 2026 performance. Our strategic priorities include strengthening innovation, deepening our market presence, enhancing operational excellence and accelerating sustainability initiatives through expanded green solutions.

We remain committed to delivering sustainable growth, enhancing shareholder value and solidifying our leadership position as a provider of superior construction solutions.

Appreciation

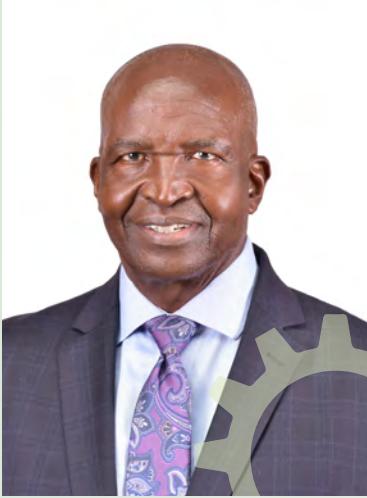
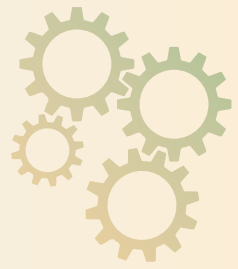
I would like to express my sincere gratitude to the Board of Directors for its continued guidance and oversight. I also thank the Government of Kenya, our regulators, customers, partners and shareholders for their trust and continued support. Finally, I extend my deepest appreciation to all Bamburi employees whose dedication and resilience made these achievements possible.

We look forward to building on this momentum in the year ahead.

Thank you.

**Group Chief Executive Officer
Bamburi Cement Plc
Geoffrey Ndugwa
16 April 2026**

BOARD OF DIRECTORS



DR. JOHN SIMBA

NON-EXECUTIVE DIRECTOR | LLB, LLD(hc) EGH, MBS, OGW

John is an Advocate of the High Court of Kenya and Senior Partner at Simba & Simba, Advocates. Previously he has worked with the Attorney General's Chambers and also as Executive Director /CEO of Industrial & Commercial Development Corporation (now Kenya Development Corporation), Executive Director of the Technical Unit of the Parastatal Reform Program and Executive Chairman/ CEO of National Bank of Kenya.

Additionally, he has previously served as Chairman; Federation of Kenya Employers, Kenya Bankers' Association, Retirement Benefits Authority, University of Nairobi Council and as President of the Rotary Club of Nairobi. Currently, he is Chairman of Sanlam Kenya Plc., Coca-Cola Beverages Kenya Limited, Choice Tea Brokers Limited, Funguo Investments Limited and Seta Holdings Limited. He also serves as a director in other companies including Almasi Beverages Limited, Carbacid Investments Limited and Africa Energy Group Ltd.

John is a member of the Law Society of Kenya, East African Law Society, and the Institute of Directors, Kenya. John has attended several Executive Management and Corporate Governance courses locally and abroad. John is the Chair of the Board of Directors and previously Chair of the Nomination, Remuneration & HR Committee (NR&HRC). John was appointed to the Board on 29 November 2012.



GEOFFREY NDUGWA

EXECUTIVE DIRECTOR | MBA, B.Eng (Hons)

Geoffrey is a seasoned business leader with over two decades of strategic and commercial leadership across sub-Saharan Africa.

His career spans strategic and P&L management roles across Uganda, Nigeria, Malawi, Zimbabwe, and South Africa, most recently serving as M&A Projects Director for the Holcim Group's MEA Region.

He has a strong track record in operational excellence, commercial growth, and successful M&A outcomes.

He holds an MBA from Edinburgh Business School (Heriot-Watt University), a B.Eng (Hons) in Civil Engineering from the University of East London, and a Postgraduate Diploma in Marketing from the UK Chartered Institute of Marketing.



ALICE OWUOR

INDEPENDENT NON-EXECUTIVE DIRECTOR | OGW, MBA, BCom, FKIM

Alice is a career tax administrator having served the Kenya Revenue Authority for 31 years in various critical areas of tax administration and diverse locations in Kenya since joining in 1984 as an assessor and retiring as Commissioner, Domestic Taxes in 2016. She was part of the KRA transformation team leading in the automation revolution and shift from manual back office processes through iTax implementation together with restructuring of the domestic taxes department to support devolution.

Further to sitting in various committees in KRA, Alice has also been Audit Committee chair and Chair of the Kenya Institute of Management (KIM), Kenya liaison for Commonwealth Association of Tax Administrators and founder president of the Soroptimist International Club of Milimani. She is a Fellow of the KIM while also serving as a director of the Centre for Corporate Governance, Prudential Life Assurance Kenya, Crown Paints Kenya PLC and Moving The Goalposts.

Alice is the Chair of the Audit & Risk Committee and a member of the Nomination, Remuneration & HR Committee.

Alice was appointed to the Board on 9 March 2017.

BOARD OF DIRECTORS (continued)



TITO DAVID KOROS

INDEPENDENT NON-EXECUTIVE DIRECTOR | BAEcon, MMPM

Mr. Koros is the current Managing Trustee/Chief Executive Officer of the National Social Security Fund (NSSF).

Prior to that, he was the Chief Executive Officer of the Local Authorities Provident Fund (LAPFUND), which handles retirement funds for all county government and water company employees. He also worked in investment management at Stanbic Investment Management (EA) Services Limited, CFC Financial Services, the Retirement Benefits Authority (RBA), and the Kenya Tourist Development Corporation (KTDC).

Mr. Koros has a Master's degree in Public Policy Management from Strathmore University, a professional certification in Public Policy Management from New York University, has attended various leadership programmes including the Global Leadership Programme from the Gordon Institute of Business Science (GIBS) at the University of Pretoria, and has a Bachelor of Arts in Economics from the University of Nairobi.

Tito David Koros was appointed as a Non-Executive Director of the Company on 7 December 2023.



EUGENE ANTERA

CHIEF FINANCIAL OFFICER, EXECUTIVE DIRECTOR | BCom, CPA

Eugene Antera is the Group Chief Finance Officer.

He is a dynamic business leader, with strong management and finance experience spanning over 15 years in manufacturing, transportation and banking. His wealth of expertise encompasses among others strategy development, business performance, operations, project management, internal controls management, process improvement, financial reporting, budgeting and forecasting.

Prior to his appointment, Mr. Antera was the Operations Controller of the Company. He joined Holcim Group in 2007 and has held several roles including Business Analyst, Sub Saharan Africa (Lafarge Middle East & Africa), Growth Controller, Supply Chain Controller and overall Country Controller (Kenya).

Prior to that he worked with Rift Valley Railways as the Financial Planning & Analysis Manager and also at East African Portland Cement PLC as a Business Controller.

He holds a Bachelor of Commerce degree (Finance) from the University of Nairobi and is a Certified Public Accountant. He is a member of the Institute of Certified Public Accountants of Kenya.



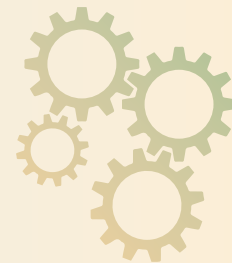
HELLEN GICHOHI

INDEPENDENT NON-EXECUTIVE DIRECTOR | OGW, MBS, PhD Zoology, MSc Bio of Conservation, BEd

Helen is currently the Conservation Ambassador for Africa for Fauna and Flora International, a global conservation organization that she joined in September 2018. From December 2012 to January 2017 she served as Equity Group Foundation's Managing Director. Prior to that, she led the African Wildlife Foundation (AWF) for 11 years having joined AWF as its first Director of the Heartlands Program in 2001 and rising to become the Vice President for Programs in 2002 and AWF's first President in 2007. Helen also worked at the Wildlife Conservation Society and African Conservation Centre, where she was the Managing Director.

She is a recipient of several international awards including the Charlotte Wyman Trust's Women in Conservation Program and the Gjai Environmental Award for 2012 at the WIFTs Foundation International Visionary Awards. She has also been honoured nationally for her contribution to wildlife conservation and development.

She is a fellow of the Aspen Institute's Energy and Environment Program and a McCluskey Fellow of the Yale School of Forestry and Environmental Studies. She previously served on the boards of Equity Bank Kenya Ltd, the Kenya Wildlife Service and the African Wildlife Foundation. Her current board positions include Equity Group Holdings Ltd, Ol Pejeta Conservancy and the Nawiri Group. Helen serves on the Nomination, Remuneration & HR Committee and the Audit and Risk Committee. She was appointed to the Board on 9 March 2017.



SALEM BALLEITH
NON-EXECUTIVE DIRECTOR |
FCCA-UK, CPA-TZ

Salem is a Chartered Certified Accountant (FCCA - UK) and Certified Public Accountant (CPA - TZ), with more than 30 years' experience.

Salem has extensive international experience in investments, financial institutions, industry, accounting, auditing and taxation, including strategy formulation and implementation, corporate governance and hands-on business management at both board and senior executive management levels.

He has worked for leading Saudi institutions SEDCO Group, Savola Group and Ernst & Young.

Salem serves as the Deputy Chairman of the Board of Directors of Tanzania's first fully fledged Sharia compliant bank, Amana Bank Limited, and Chairs its Audit, Risk and Compliance Committee. He is a member of the Board of the Dar es salaam Stock Exchange-listed Swala Oil & Gas Tanzania PLC, where he also Chaired the Audit Committee until early 2023.

He served in the Board of Directors of Mbeya Cement Company Limited and also serves as a Member of its Audit Committee.

In August 2017, Salem became a Certified Director with the Institute of Directors Tanzania.

Salem joined the Board as a Non-Executive Director on 12 March 2025.



KARIM ANJARWALLA
NON-EXECUTIVE DIRECTOR

Mr. Karim Anjarwalla is the current Senior Partner at ALN Kenya. Anjarwalla & Khanna, the largest full-service corporate law firm in East Africa. Prior to this, he served as Managing Partner of the firm from 2004 to 2022.

Mr. Anjarwalla has extensive experience in corporate mergers and acquisitions, private equity, capital markets, and cross-border transactions across Africa. He has advised on some of the most significant deals in the region, including Equity Group's multi-country bank acquisitions and major Eurobond issues for the Government of Kenya.

He played a pivotal role in establishing ALN, an alliance of leading law firms in 14 African jurisdictions and the UAE. He is frequently invited to speak at global legal and business forums and has received multiple accolades including "Partner of the Year" at the Africa Legal Awards 2022 and "Kenya Lawyer of the Year" by Chambers Africa Awards 2022.

Mr. Anjarwalla holds a B.A. (Law and Politics) from the University of Durham and a Postgraduate Diploma in Law from the Kenya School of Law. He is a member of the Law Societies of Kenya and England & Wales, and serves on several boards, including ALN Academy and Bomu Hospital.

Karim Anjarwalla was appointed as a Non-Executive Director of the Company on 12 June 2025.



JOYCE MUNENE
COMPANY SECRETARY

Joyce joined Bamburi Cement Plc in July 2023. She is an accomplished Governance, Legal and Compliance professional with broad career expertise in the financial services sector and Fast Moving Consumer Goods (FMCG) industry, as well as an Independent Corporate Governance Consultant.

She was previously the Senior Legal Manager & Company Secretary at East African Breweries Limited, the Legal Services Manager & Assistant Group Company Secretary at Equity Bank Group, and Legal Officer at United Insurance Company.

She holds a Master's in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture & Technology, Bachelor of Laws (LLB) from University of Pune, India and a Diploma in Law from the Kenya School of Law (KSL).

Joyce is a Certified Public Secretary, a Certified Governance Auditor and a Certified Legal & Compliance Auditor.

Sustainability is deeply embedded in Our procurement strategy. We are committed to ensuring that our sourcing practices prioritize responsibility, sustainability, and ethical conduct.



Sustainability Report

Climate and Energy	32
Circular Economy	33
Nature and Water	34
People and Human Rights	37
Sustainable Procurement	44





2025 SUSTAINABILITY REPORT:

A Message from the Sustainability and Corporate Affairs Director



Our journey is defined by deliberate, continuous effort. We believe that true success lies in **“Sustainable Value Creation”**, a guiding principle that ensures every bag of cement we produce contributes to lasting positive impacts on people and the planet.
~ Jane Wangari

A Legacy of Purposeful Innovation

In 2025, Bamburi Cement has remained steadfast in its mission to lead the construction industry toward a greener, more resilient future. Our approach to sustainability is proactive; we consistently anticipate market shifts and deliver innovative, low-carbon solutions that adapt to the evolving demands of our consumers.

By embedding sustainability into the core of our business model, we have transcended traditional industry roles to become a pivotal partner in Kenya’s nation-building, contributing directly to the country’s economic and environmental growth.

Sustainable Value Creation as Our North Star

By integrating ESG (Environmental, Social, and Governance) criteria into our daily operations, we have achieved a balance of economic performance, ecological stewardship, and social equity, ensuring our business delivers value for generations to come.

2025: From Ambitious Strategy to Tangible Reality

This year marks a transformational turning point where our long-term strategic goals became operational realities. Our commitment to innovation and decarbonization is best reflected in our 2025 milestones:



Decarbonizing Our Energy Mix:

We successfully installed and fully commissioned our landmark **20MW solar power project**. This clean energy source now provides a significant portion of the electricity required to run our Mombasa and Nairobi plants, drastically reducing our carbon footprint.



Circular Economy & Alternative Fuels:

In our Nairobi plant, we have reached a record **98% utilization rate of alternative fuels**, substituting traditional fossil fuels with sustainable waste-derived energy.



Sustainable Logistics:

We have optimized our supply chain by increasing the use of **rail transportation to 50% for clinker movement**, significantly lowering the emissions associated with road freight.



Empowering Communities:

Our social initiatives have directly impacted **53,500 people**, focusing on education, health, and economic empowerment within the communities where we operate.



Ethical & Inclusive Supply Chains:

We have achieved **100% ESG and Health & Safety pre-qualification** for our existing suppliers. Furthermore, we have made significant strides in diversity, with 26% representation of underrepresented groups (women, youth, and persons with disabilities) among our suppliers—a substantial increase from 15.6% in 2024.



Business Overview

Sustainability Review

Governance

Financial Review

2025 SUSTAINABILITY REPORT (continued)

Looking Ahead



These achievements are a testament to the strength of our sustainable value creation model and the dedication of our workforce. While we celebrate these “**tangible realities**,” they serve as an inspiration to keep building on this momentum. As we look toward the future, we remain committed to reaching new heights, driven by an innovative mindset and a desire to create shared benefits for all our stakeholders. Together, we are building a more sustainable Kenya, one milestone at a time.

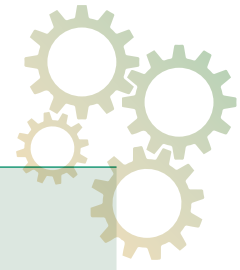
Our Sustainability Framework

- Our Sustainability Strategic Pillars, Targets and SDG Alignment
- Comprehensive Sustainability Reporting Approach
- Our Material Matters
- Our Stakeholders
- Highlights of our 2025 Pillar Performance



Sustainability Strategic Pillars, Targets and SDG Alignment

Strategic Pillar	Our Goals	SDG Alignment
Climate and Energy 	<ul style="list-style-type: none"> • Reduce carbon emissions in manufacturing - Scope 1 • Substitute 30% grid power with solar - Scope 2 • Increase green mobility utilisation - Scope 3 	
Circular Economy 	<ul style="list-style-type: none"> • Increase in waste diverted from landfills; by waste recycling incrementally year on year. • Preserve natural resources by increasing use of alternative raw materials. 	
Nature and Biodiversity 	<ul style="list-style-type: none"> • Lower freshwater withdrawal by 20% • All mine sites have Quarry Rehabilitation Plans (QRP) with financial provisions. • Achieve Net Positive Impact in 100% of the sites under rehabilitation • 100% implementation of Biodiversity Indicator and Reporting System (BIRS) in all biodiversity sites. 	
People and Human Rights 	<p>People</p> <ul style="list-style-type: none"> • Achieve gender diverse workforce of 25% by 2030. • Ensure safe working places by achieving zero LTIs and maintaining zero fatalities at our sites <p>Human Rights and Social Initiatives</p> <ul style="list-style-type: none"> • Maintain 100% implementation of Holcim Human Rights Due Diligence • Maintain regular stakeholder engagement • Uplift livelihoods of the vulnerable and needy in our communities, +50,000 beneficiaries 	



<p>Sustainable Procurement</p> 	<ul style="list-style-type: none"> Achieve 100% integration of sustainable procurement, both sourcing and supplier relationship management. Achieve 100% pre-qualification of existing suppliers using the ESG/H&S qualification criteria Achieve 100% closure of implemented remediation plans for suppliers with gaps identified Direct 30% of our local addressable spend to underrepresented groups by 2030. 	
<p>Customer Product and Innovation</p> 	<ul style="list-style-type: none"> Continually innovate green and sustainable products to meet our customer needs 	
<p>Governance</p> 	<ul style="list-style-type: none"> Manage Bamburi Cement PLC with integrity and in compliance to the benefit of all stakeholders 	

Business Overview

Sustainability Review

Governance

Financial Review

Comprehensive Sustainability Reporting Approach

This report discloses our positive contributions and milestone achievements aligned with our sustainability goals across our pillars. This report is outlined in accordance with the Global Reporting Initiative (GRI) Foundation 2021, the period from January 2025 to December 2025. Other periods have been referenced for contextual reasons.

We appreciate the dynamic sustainability landscape on reporting and are well aware of the International Sustainability Standards Board Climate and Sustainability related draft disclosures, our sustainability report continues to align with the GRI. This is because GRI remains the most comprehensive sustainability reporting standard with a double materiality lens which supports our purpose.



It is a progress report on account of our membership at the UN Global Compact (UNGC) and the Global Compact Network Kenya (GCNK).

As a listed company, the NSE requires all listed companies to report publicly on ESG performance at least annually. This report is thereby prepared following the NSE ESG guidance manual 2021. Our materiality assessment was prepared using the provided framework by NSE, using the following list of fundamental ESG topics.

Sustainability Alignment with Global Goals



Our reporting is guided by our goals and targets and the impact we have made on our sustainability pillars with respect to the aforementioned. Our sustainability goals are aligned with our priority UN Sustainable Development Goals (SDGs).

As a responsible business, we uphold the UNGC ten principles in our day to day operations. We are committed to making visible growth in our women based initiatives as signatories of the UN Empowerment principles.

Our Material Matters

At Bamburi cement PLC, we consider our material matters to be priority topics within the broader environmental, social and governance framework provided by the Nairobi Securities Exchange (NSE) and aligned with UN SDG goals. To ensure our notable commitment to the SDGs, we have integrated our priorities to the most relevant SDGs goals to showcase our endeavor to contribute to global sustainability goals.

These priority areas are aligned to our business relevant issues and operational practice, whose emphasis enables us to drive long term sustainable business value. They guide our strategic direction and focus areas in building a sustainable future to seize opportunities while managing risks in a dynamic business environment.

We manage our material priority areas through continuous collaboration with senior leadership to consistently evaluate and ensure alignment between our business model and sustainability strategy, while taking into consideration the challenging operating environment and stakeholder interests. This helps to drive us into action-oriented plans whose outcomes are constantly monitored and reported to ensure we consistently monitor our sustainability performance alongside our core business model.

Our materiality assessment process has enabled us to identify key material issues that present global and local challenges and opportunities to deliver meaningful value to our stakeholders. The analysis was based on the principle of double materiality which incorporates both the impact of sustainability topics on business relevance, the

2025 SUSTAINABILITY REPORT (continued)

society and the environment. We have continued to use our materiality assessment to examine how relevant different sustainability topics are for different stakeholder groups and the business. Our material topics inform our sustainability reporting in compliance with the Nairobi Securities Exchange (NSE) and in accordance with the GRI reporting standards.

These topics guide our reporting and are outlined below:

-  Climate and Energy
-  Circular Economy
-  Nature and Water
-  People and Human Rights
-  Sustainable Procurement
-  Customer Product and Innovation
-  Governance



Our Stakeholders

Good cooperative relationships with various stakeholders in the society is key to maintaining business success and sustainability. We are committed to fostering partnerships through different engagement platforms as detailed in the overview. This enables us to attain collective impact across our sustainability pillars to extend our impact as well as receive feedback from stakeholders that allows us to grow and informs our sustainability strategy. In our engagements with stakeholders, we uphold transparency, accountability and integrity in order to create shared value.

Overview of Stakeholder Engagement



Employees

- Periodic HSE stand downs
- Employee Engagement Survey
- Open dialogues and town halls
- HR teams and HR process platforms

Associations

- Educational Webinars
- Periodic meetings
- Annual conferences
- Working groups and research studies

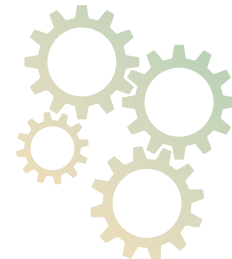


Customers

- Regular commercial events
- Regular customer visits
- Market Storms
- Customer satisfaction surveys
- Service centres and helplines
- Social media engagements
- Ongoing dialogues with communities

Local Communities

- Ongoing educational programs and training
- Volunteering, and social investment initiatives
- Co-creation of inclusive business programs



Shareholders & Investors	Government & Regulatory bodies
<ul style="list-style-type: none"> • Meetings, webcasts, and conference calls • Half year financial updates and guidance • Annual reports and mandatory filings • Ongoing website Updates and press releases 	<ul style="list-style-type: none"> • Annual reports and conservation books • Company position papers • Ongoing public policy discussions • Long-term partnerships • Periodic plant visits • Events and conference



Suppliers	Academia
<ul style="list-style-type: none"> • Daily interactions • Ongoing training and capacity building • Permanent collaborative research portfolio • Subject matter expert • Participation in internal training • Collaboration on research papers • Advisory service 	<ul style="list-style-type: none"> • Health and safety and sustainability verification platforms

LOCAL COMMUNITIES						
Our Commitments	Business Ambition For 1.5° C	 SCIENCE BASED TARGETS <small>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</small> Science Based Targets Network	 World Business Council For Sustainable Development	 World Green Building Council		
Lobby Groups and associations	 UN Global Compact	 World Business Council For Sustainable Development	 Global Cement & Concrete Association	 Task Force On Climate-Related Disclosures	 Concrete Action For Climate	 Concrete Sustainability Council
	 UN Women	 Global Reporting Initiative	 East Africa Business Council (EABC)	 Kenya Private Sector Alliance (KEPSA)	 Kenya Association of Manufacturers (KAM)	 Nairobi Securities Exchange

2025 SUSTAINABILITY REPORT (continued)

Highlights of our 2025 Pillar Performance



Climate and Energy

Scope 1 CO² Emissions= 479.6 KgCO²/ton
98% substitution of fossil fuels with green energy at Nairobi Grinding Plant
Commissioning of 20MW solar project.



Circular Economy

451,598 ton of Recycled Waste in 6 years.



Nature and Water

100% Quarry Rehabilitation Plans Implemented for all our quarries
409 hectares of rehabilitated land
100% waste water recycling at one BSP site.



People and Human Rights

Social Initiatives
159,554 beneficiaries in 3 years



Health and Safety

85.8% Boots on ground quality against 83% in 2024 and 100% Critical Risk Elimination.



Diversity, equity and inclusion

64 women graduates from the Women on Wheels programme (KE)
33% of women in management level
25% of women at board level.



Sustainable Procurement

50% rail use in clinker transportation
Consolidated spend on local underrepresented groups; 26%
100% pre-qualification of existing suppliers using the ESG/H&S qualification criteria.



Innovation

60 MPa high strength concrete utilizing low carbon (green) cement to reduce on embodied carbon emissions while maintaining the required strength and improving on durability.

Improved lightweight concrete blocks achieving over 20% reduction in unit weight through optimized material composition resulting in improved handling efficiency and reduced dead load (self weight).

CLIMATE AND ENERGY

Our Net Zero Pathway



The **construction industry accounts for 37% of global CO² emissions**, with 30% of life cycle emissions arising during the construction phase—primarily from cement—and 70% occurring during the building's operational life cycle, primarily due to heating and electricity generation.

In alignment with global climate commitments to keep temperatures below 1.5°C, we have committed to a Net Zero Pathway. Our targets are science-based and aligned with reductions at pivotal milestones as part of our low-carbon transition strategy.

Our decarbonization approach focuses on three broad categories: **energy, materials, and carbon capture**, with specific levers for each. These levers, which involve technological and process innovations, are key to reducing carbon emissions in our operations.

Decarbonization Levers

Green Formulations

Scope 1 emissions in our formulations arise primarily from process emissions, particularly the calcination of clinker. Our key decarbonization strategies include:

- Utilizing alternative raw materials in place of virgin materials.
- Replacing clinker with mineral industrial components.

These efforts have enabled us to produce the widest range of eco-labeled green cement with 30% lower process emissions compared to ordinary Portland cement.

Green Energy

For Scope 1 emissions related to combustion, we are reducing emissions by:

- Replacing high-carbon kiln fuels with alternative fuels, such as biomass.
- Improving energy efficiency in our production processes.





- Replacing Clinker with other lower carbon emitting alternatives

For Scope 2 emissions, we are transitioning to alternative clean energy sources, such as solar power.

Sustainable Mobility to reduce scope 3 emissions include:

- Implementing backhauling of materials to enhance transport efficiency.
- Increasing the use of rail transport to supplement road use.
- Planning for the adoption of electric vehicles in the future.

Carbon Capture Technology

Carbon Capture Utilization and Storage is different from Energy and Formulation in that this is an entirely new field in our industry, and it has the potential to abate (capture) the emissions from both energy and formulation through end-of-pipe technologies.

Today, while there are many profitable levers to decarbonize our energy and formulation, so far CCUS projects are only viable with significant subsidies and strong policies that support decarbonization.

Emission Monitoring

We track and disclose our emissions annually, guided by the Global Cement and Concrete Association (GCCA) principles of accountability, transparency, and efficiency.

Using digital and smart tools for continuous measurement, we have enhanced our process analytics and established sustainable processes for circular value creation. These measures have allowed us to:

- Maintain stack emissions such as SO² and NO² within regulatory limits.
- Monitor effluent gases and collect critical data for compliance and performance tracking.

By continuously monitoring emissions, we ensure that our environmental impact is minimized and that we remain at the forefront of innovation in emission reduction.

CIRCULAR ECONOMY

Rethinking Waste with Geocycle



Geocycle revolutionizes waste management by turning waste into valuable resources, conserving natural reserves, and significantly reducing carbon emissions.

By employing scientifically proven, industry-standard practices, Geocycle provides sustainable

solutions that maximize resource utilization through effective recycling.

These efforts play a vital role in advancing Bamburi Cement's sustainability goals and fostering a circular economy.

Protecting Natural Resources

Through innovative recycling and material recovery solutions, Geocycle minimizes the reliance on virgin raw materials, enhancing circularity in manufacturing processes. Sustainable resource use depends on recovery, reuse, and recycling to prevent the depletion of these critical yet limited natural assets.

As Bamburi Cement's dedicated waste management brand, Geocycle collaborates with partners to extend product lifecycles by designing recycling solutions that ensure optimal material recovery and waste minimization.

Performance in Numbers: Delivering on Circular Economy Goals

At Bamburi Cement, measurable progress is at the heart of our commitment to a circular economy. By 2030, we aim to achieve an increase in waste recycling year on year, with consistent growth each year. In 2025, we achieved a new benchmark with a **98% substitution rates of fossil fuel in our grinding plant**, marking a record performance in our Kenya operations. Over the past sixty ears, Geocycle has recycled an impressive 451,598 tons of waste, highlighting our dedication to sustainability through tangible results.

Carbon Black: A Milestone in Safe and Sustainable Transport

In 2025, we achieved a major milestone by adopting 100% enclosed bulker transportation for carbon black, a critical alternative non-biomass fuel stream. Previously, carbon black was transported in jumbo bags, posing environmental and safety risks due to emissions during handling.

By transitioning to fully enclosed bulker systems, we eliminated these risks, creating a safer, more sustainable solution for our operations. This shift underscores our commitment to continuously improving environmental stewardship.



2025 SUSTAINABILITY REPORT (continued)

NATURE AND WATER

Progressive Quarry Rehabilitation

Building on our successful rehabilitation practices, we continued to transform mined out areas into thriving ecosystems for biodiversity conservation and sustainable land utilization. In 2025, Bamburi Cement PLC conducted a review of its Quarry Rehabilitation and Biodiversity Management Plans. The review ensured that all actions and provisions were adhered to both the Environmental Management & Coordination Act of Kenya, 1999, and the Environmental Directives. The company maintained 100% implementation of its Quarry Rehabilitation Plans (QRP) across the mining sites

In Vipingo Quarry, 7 hectares of limestone quarry was rehabilitated where 17500 pioneer *Casuarina equisetifolia* trees were planted. More than 22 hectares of initial pioneer tree forest were maintained to support productive forest growth and ecosystem development. In South Quarry, 1 hectare of mined land was rehabilitated with 2500 *Casuarina equisetifolia* trees planted. An additional 50,000 indigenous trees were propagated along the wildlife migratory corridor enriching the site.

As part of the Bamburi's plantation maintenance program, selective thinning of *Casuarina Forest* was implemented through opportunistic harvesting of mature *Casuarina* trees as fuel wood or poles and indigenous trees were planted in North Quarry *Casuarina* forest to diversify the vegetation for biodiversity conservation.

Recognizing the rapid loss of wetlands in the region, Bamburi intensified efforts by planting over 500 mangroves and other wetland vegetation. The initiative was a climate change mitigation and a species-focused restoration strategy, incorporated into the rehabilitation plan for conservation of terrestrial and aquatic biodiversity.

Biodiversity Conservation and Management

Bamburi continued to implement its Biodiversity Management Plan (BMP) across the sites. Biodiversity surveys were conducted to monitor key species like birds, mammals, butterflies, dragonflies, and vegetation. The identified species were checked against the IUCN Red List to determine their global conservation status, which was followed by species focused actions across the sites.

Biodiversity Conservation Initiatives

The Bamburi Ecosystems Biodiversity Centre in Haller Park, continued to enhance science based initiatives impacting restoration efforts. Through the initiatives, 4432 indigenous plants were propagated at the biodiversity nursery in Bamburi Haller Park for enrichment planting in the emergent quarry ecosystem. Out of this 1318 were donated to the community for planting contributing to the wider conservation initiatives in the County. Indigenous trees were planted for biodiversity conservation in North Quarry as well as South quarry *Casuarina* forest to diversify the vegetation for ecosystem integrity.

Organic Fertilizer

Additionally, over 8534 kg of organic fertilizer was produced at the biodiversity nursery in Haller Park using modern science and composting techniques in order to support high quality plant propagation and production. This was anchored around a teaching model where interns and attaches are taken through a hands-on science based coaching that directly impacts the practice of biodiversity conservation. The biodiversity nursery remained an integral facility in the rehabilitation, restoration and education program which contributed in attracting academia to the rehabilitated ecosystem impacting our revenues.

Butterflies as attractions and indicators of biodiversity

In 2025, Bamburi's biodiversity programme produced over 8449 butterflies that were released into the environment and also used as indicator species for science training. Butterflies are indicators of ecosystem health and so close monitoring and breeding was enhanced throughout 2025.

Monitoring IUCN listed species

Bamburi's flora and fauna included 4 Critically Endangered (CR), 11 Endangered (EN), 27 Vulnerable (VU), and 27 Near Threatened (NT) species. Out of 582 indigenous plant species, over 53 are considered threatened on the IUCN plant species list. This data helped to determine biodiversity actions for each group, species and habitat conservation. In 2024, Notable changes were observed in the conservation statuses of several migratory waterbird species. Some species previously classified as

Least Concern have now been reassessed as either Near Threatened or Vulnerable. Specifically, the Curlew Sandpiper, previously listed as Near Threatened, is now categorized as Vulnerable.

We've maintained **100%** implementation of Quarry Rehabilitation Plans (QRP) across all mining sites.

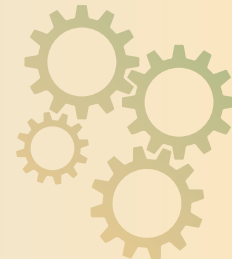
7 Hectares of limestone cleared to rehabilitate Vipingo Quarry



50,000 indigenous trees propagated along the wildlife migratory corridor

500 mangroves planted in wetlands restorations





We maintained updates in the IUCN Red List review that have increased the number of bird species recorded on site and globally considered Threatened. The Grey plover, once classified as Least Concern, is now Vulnerable, while Fischer's Lovebird and the Rudy Turnstone have shifted from Least Concern to Near Threatened. Through regular monitoring in 2025, IUCN threatened species such as Grey Crowned Crane was noted to be appearing and establishing habituation in one of South Quarry wetlands.

In some other wetlands, we have recorded hundreds of migratory birds such as plovers and sandpipers spending considerable amounts of time in the wetlands-foraging and roosting during high tides in the ocean. Other rare species such as Greater Painted Snipe, hamerkop, African Spoonbills are beginning to return to our wetlands.

This is a clear indication that our efforts continue to highlight growing concerns about the population decline and conservation of the globally significant migratory birds but also support conservation of these species and wetlands that support them. Other notable changes observed include improving diversity of insect communities particularly butterflies and dragonflies, as well as positive trends in waterbucks, bushbuck and suni populations both South and North Quarries.

Conserving Wetland Habitats

In 2025 Bamburi committed to enhance wetlands by integrating wetland habitat creation and conservation into its rehabilitation design. Suitable habitats for waders were created and monitored to safeguard frequently visited ponds and water pools from further development or disturbances in south quarries. Additionally, aquatic resources were monitored for any biological and chemical pollution to ensure a safe environment for wetland birds and organisms that sustain them.

A mangrove biofiltration was renovated in the aquaculture unit at the Fish Farm as a critical water recycling system. The biofiltration system uses mangroves to filter water and while supporting fish production and biodiversity conservation.

Best Practice in Conservation with BIRS

In 2025, Bamburi sites remained compliant with The Biodiversity Indicator and Reporting System (BIRS). The tool BIRS was used to monitor our decisions and operations impact on biodiversity and the effectiveness of our biodiversity mitigation and habitat rehabilitation measures. The BIRS was used to review biodiversity indices

for Vipingo Quarry, North Quarry, South Quarry, and Nguuni Quarry sites.

BIRS surveys and Report

BIRS surveys were conducted to inform environmental conservation decisions in all the Bamburi sites. Monitoring of land use in Bamburi's 4 Quarries in Mombasa and Nairobi was maintained and used to inform decisions. The Matuga, Kikambala, Ngurunga and Katani quarries continued to be monitored through field presence and remotely including the use of GIS technology while making land use reference to the baseline biodiversity index. Wetland and drainage systems were monitoring the status of aquatic habitats and their impact on associated organisms. Mangrove trees in all the sites were monitored as special habitats. Threats to the site habitats and species were addressed on a site-specific basis.

The BIRS report has been used to inform site specific Quarry Rehabilitation Plans (QRP) and Biodiversity Management Plans (BMP), to aid in restoration, management and monitoring of impacts to biodiversity.

Mainstreaming Biodiversity Conservation through Citizen Science

In 2025, we engaged community scientists, nature lovers, researchers, private and government institutions, in tree planting, bird monitoring, clean ups and commemorations of local and global events. Through the initiatives, our stakeholders gained a deeper appreciation of the value of restored ecosystems, motivating them to protect and preserve them. The engagement helped us monitor and safeguard habitats of IUCN-threatened species, while fostering long-term mutual trust with the communities we work in.

Sustainability through Conservation Education and Awareness

Environmental Conservation Education and awareness are central to Bamburi Cement's mission. The two rehabilitated parks, Bamburi Haller Park and Bamburi Forest Trails, attract over 190,000 visitors annually, including tourists and school groups. These parks play a key role in environmental education and awareness creation on pertinent topics about mining, its impacts, biodiversity conservation and sustainable land utilization. To ensure enhanced visitor's learning experiences and high standards of information, Bamburi, through Bamburi Eco Systems, held 11 monthly Environmental Conservation education lectures from



2025 SUSTAINABILITY REPORT (continued)

March to December 2025. The lectures were used to train frontline staff including young graduate trainees, new education guides and all staff and enhance a culture of learning, to promote transfer of skills and delivery of uniform information.

Seasoned specialists drawn from various departments and business units in Bamburi group delivered lectures and field talks on topics related to Mining and Environmental Management Responsibility. Experts from Mombasa Plant and LES covered topics in Quarry Rehabilitation, Wildlife Management, Ecosystem & Biodiversity Conservation, Butterfly Conservation, Professional Guiding Techniques, Aquaculture Management.

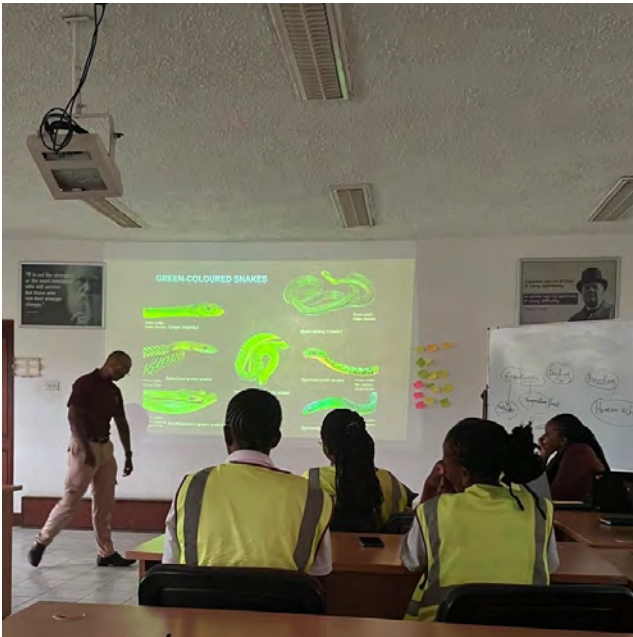
Working with Community to Reduce Human-Wildlife Conflicts

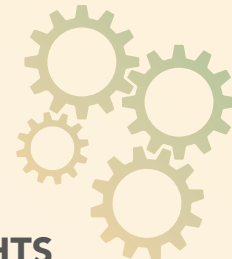
Demand for land for urban growth, development, and settlement continues to rise causing increase in encroachment upon natural habitats, leading to significant habitat loss. As the wild areas shrink, wildlife is often forced

into nearby human communities in search of food, shelter, and hideouts, often leading to an increase in distress to both wildlife and residents. Bamburi Haller Park continued to shine as a vital wildlife rescue, Conservancy and Care Centre, housing IUCN threatened species like Aldabra and Star tortoises, orphaned Lesser Kudu, aging hippos Sally and Potty, venomous snakes and many other animals that may be harmful to local communities.

In 2025, Bamburi Eco Systems responded to several cases of wildlife rescues from the community, including snakes, crocodiles, mongooses, and other species. Rescued and displaced animals from the community find refuge in Bamburi's restored ecosystems, which makes Bamburi Haller Park a global showcase of conservation.

The wildlife rescue operations provided an opportunity to raise awareness in the local communities and schools on wildlife safety and environmental conservation. The rescue program highlights the intrinsic role of wildlife in rehabilitation and habitat restoration and mitigation of human-wildlife conflict within Mombasa urbanized landscapes.





Preservation of Mtopanga River

In 2025, we conducted 4 Mtopanga River clean ups. A total of 3265 kg of solid wastes were removed from the seasonal River, preventing pollution from reaching the Indian Ocean marine ecosystems. Out of the wastes offloaded, over 60% were plastic that are harmful to the environment. Preserving the Mtopanga seasonal River is a key action of Bamburi's Biodiversity Management Plan.

The seasonal drainage system runs through informal settlements in Bamburi area and crosses Bamburi's rehabilitated ecosystem for 700 meters into the Indian Ocean where the protected Mombasa Marine Park resides. The river carries highly polluted water with solid and liquid waste through the ecosystem.

Bamburi removes solid waste from the river, positively impacting the public beach where many Kenyans spend their weekends and holidays. Pollution from the Mtopanga River harms the marine ecosystem and human livelihoods.

Water

100% Waste Water Recycling at RMX Athi River Site

Waste water recycling is a key part of our water conservation strategy, particularly in our ready-mix operations, where concrete production demands significant water usage. While some of this water is incorporated into the final product, the majority is lost during truck cleaning.

To address this, we developed an efficient water recycling system. Used water flows through natural channels into a sedimentation tank, where solid particles settle. The treated water is then reclaimed and reused in concrete production, ensuring zero water wastage.

The recycled water accounts for 26% of our freshwater withdrawal. This initiative represents a major step forward in our sustainability efforts, reinforcing our commitment to responsible resource management and environmental conservation.

26%
The percentile that recycled water accounts for our freshwater withdrawal.



3265 kilos
of solid waste removed from the Mtopanga seasonal River



13,000 trees
planted in Haller Park



PEOPLE AND HUMAN RIGHTS

Celebrating Motherhood in Bamburi Cement

To recognize Mother's Day on May 12th, Bamburi Cement held special events at their Mombasa and Nairobi sites. These gatherings provided an opportunity for employees to share personal stories and advice related to motherhood. The celebrations highlighted themes of gratitude, resilience, and mutual support, with the intention of inspiring attendees.

12th May marked a day we internationally recognize as Mother's Day. Mother's Day recognizes mothers, motherhood and maternal bonds in general, as well as their positive contributions to their families and society. In Bamburi Cement, we chose to recognize this day with heartfelt conversations and shared a meal. In evergreens, we gathered at our two sites in Mombasa and Nairobi to share in our motherhood journeys.

Celebrating Employee Appreciation Day

We marked Employee Appreciation Day on March 1st by celebrating our exceptional team members across all locations. It was a pleasure to see everyone, including our CEO and managers, join together in recognition of our people. It was a strong reminder that our employees are the foundation of Bamburi Cement.

International Women's Day Series 2025 *Ring the bell for Inclusion*

On March 8th, International Women's Day (IWD), we joined the Nairobi Securities Exchange (NSE) and 75 other global stock exchanges in the annual "Ringing the Bell for Inclusion" ceremony. This event, organized in partnership with the International Finance Corporation, the UN Sustainable Stock Exchanges Initiative, the UN Global

2025 SUSTAINABILITY REPORT (continued)

Compact, and UN Women, aims to raise awareness of the private sector's vital role in advancing gender equality and achieving the UN's Sustainable Development Goal 5.

Honoring Women Within: Our International Women's Day Celebrations

To celebrate International Women's Day 2025, Bamburi Cement organized events for its female colleagues across the Nairobi, Athi River, and Mombasa locations. These celebrations featured addresses by different speakers across the different sites.

Boda Boda Safe Riding Awareness Campaign: Empowering Riders, Saving Lives

With boda bodas (motorcycle taxis) involved in a third of Kenya's road fatalities, Bamburi Cement PLC launched the 'Bodaboda Safe Riding Awareness Campaign' to improve road safety. Recognizing the risk to riders on their delivery routes, the company partnered with authorities to train 700 riders in defensive driving and first aid, aiming to change their road safety attitudes and behaviors. The campaign, which also included providing helmets and reflective gear, led to a decrease in fatalities, safer driving habits, and increased risk awareness among riders in high-risk areas.

Building the Future: Inspiring Tomorrow's Leaders

In 2024, Bamburi Cement hosted two groups of university students and one group of high school students from Moi Kadzozo Girls Secondary School. First, 105 engineering students from the Technical University of Mombasa toured the plant to learn about cement production and sustainable

practices. Second, public health students from Masinde Muliro University of Science and Technology (MMUST) visited to assess the company's Health, Safety, and Environment (HSE) framework and explore job prospects. Both visits highlighted Bamburi Cement's industry-leading practices and commitment to development.

Cervical Cancer Awareness Walk

Bamburi Cement PLC partnered with the Ministry of Health, Mombasa County, Kenya Red Cross, USAID, and others to raise awareness about cervical cancer in Mombasa. The company donated medical supplies, participated in a Cervical Cancer Awareness Walk, and recently renovated and equipped the Bamburi Cement Cancer Center at Coast General Teaching and Referral Hospital, originally opened in 2017. This center provides specialized cancer treatment for patients. The initiative addresses the high prevalence of cervical cancer among women in Kenya and sub-Saharan Africa

Employee Voluntary Programme for Our Communities

To further our social impact, we engaged employees in our 2025 initiatives, which included mentoring KCSE scholarship recipients and participating in community donations.

The Council's Donation Drive

The Bamburi Cement Youth Council and the Women's Council in Mombasa and Nairobi donated food, clothing, and other essential items to the Bondeni Children Rescue Centre and Wema Centre. This effort, which included mentorship, reflects the "Bamburi Way" of creating social impact.



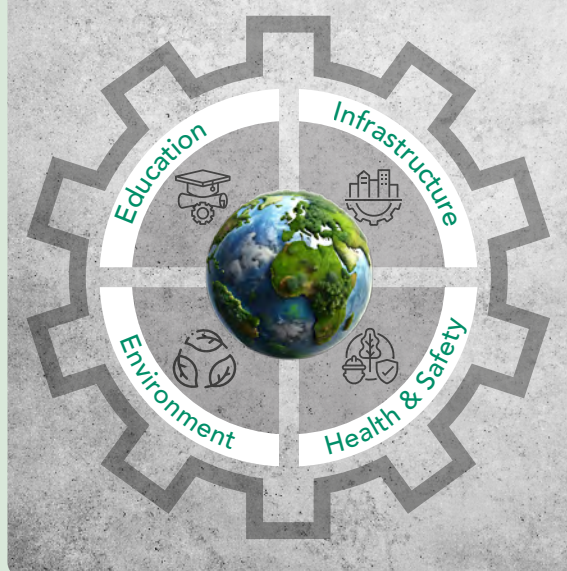


Social Initiatives and Human Rights

Bamburi Cement's Commitment to Social Impact Initiatives

Bamburi's commitment to the communities around our operations remains a priority for the business. We are dedicated towards effectively driving our human rights and sustainable social impact initiatives. Our programs are anchored on the people pillar within our sustainability strategy, focusing on building goodwill and securing our social license to operate.

Our social impact efforts concentrate on four key areas:



Road Safety Policy

Driving Excellence in Road Safety Performance

In 2025, Bamburi Cement demonstrated outstanding leadership and commitment to road safety, earning national recognition at the AA Road Excellence Awards. The company received three prestigious accolades:

- 1st Place – Driver Safety & Wellness Award
- 2nd Place – Road Safety Champion of the Year
- 2nd Place – Road Safety Innovation Award

These achievements reflect a sustained focus on driver welfare, operational excellence, and innovative safety practices across our transport network.

Strengthening Partnerships Through Leadership Engagement

Bamburi Cement convened its Annual Transporter Directors Meeting at the Argyle Grand Hotel Nairobi Airport, bringing together representatives from 29 partner transport companies.

The meeting served as a strategic platform to:

- Reinforce shared safety commitments
- Promote transparency and open communication
- Align on evolving industry challenges and expectations

Together, we reaffirmed our collective responsibility to deliver safe, reliable, and high-quality transport operations in a dynamic environment.

Promoting Driver Health and Wellness

The Healthy Eyes, Safer Roads Campaign, held at Sultan Hamud Supa Stop, underscored the critical link between driver health and road safety.

The initiative provided free eye screenings and health awareness, revealing key insights:

- 61% of drivers had refractive vision errors
- 34% presented other eye conditions
- Only 5% had normal vision

In addition:

- Over 50% of drivers were identified as obese
- 46% had high blood pressure (HBP)





These findings highlight significant health risks that can impair driving performance, reinforcing the need for continuous wellness interventions within the transport sector.



2025 SUSTAINABILITY REPORT (continued)

Enhancing Field Safety and Leadership Visibility

To strengthen on-the-ground safety assurance, Bamburi Cement implemented several proactive initiatives:

-  Conducted a Joint Transporter Directors Preventive Road Patrol on 4th December, demonstrating leadership commitment and shared accountability in transport safety
-  Increased BCL and Buddy Road Patrols, particularly during the festive season, to:
 - Enhance field visibility
 - Identify risks early
 - Implement timely corrective actions

These patrols played a critical role in reinforcing safe driving behaviors and ensuring compliance across transport operations.

Conclusion

Through strategic partnerships, health-focused interventions, and strong leadership engagement, Bamburi Cement continues to advance its road safety agenda. The 2025 initiatives not only improved operational safety outcomes but also strengthened a culture of shared responsibility, innovation, and continuous improvement across the transport ecosystem.

Health: Bamburi Cement Plc Health Camp: A Model for Community Well-Being

Recognizing the critical health challenges in Kenya, where cancer ranks as the third leading cause of death, Bamburi Cement is actively working to improve community well-being. We support the Bamburi Cancer Center at Coast General Teaching and Referral Hospital in Mombasa, providing essential funding for infrastructure to offer chemotherapy and other cancer treatments. This support has enabled over 400 patients, many of whom are at-risk women, to receive vital healthcare. Furthermore, our free cervical cancer screening clinics have served over 36,000 individuals, prioritizing early detection, particularly for underserved women and children with limited healthcare access. Through these initiatives, Bamburi Cement demonstrates its strong commitment to social welfare and addressing pivotal public health concerns.

In 2025, Bamburi Cement Plc signed an MOU with Coast General hospital, Chandaria foundation and Premchand Shah family to expand the cancer center at the Coast General Hospital. The new facility is expected to have a 50 bed out-patient facility and 42 bed in-patient facility. The project is expected to be completed in 2026.

Free Medical Camp in Kwabulo Community

Bamburi Cement Plc's Mombasa Plant hosted a free medical camp for over 1,000 people in the Kwa Bulu community, offering general checkups, screenings for various conditions including HIV and TB, and health assessments. This was the first of several health roadshows planned for the Coast region. The initiative reflects Bamburi Cement's commitment to community health and well-being, which they see as crucial for thriving communities.

Bamburi Cement Scholarship Program: Empowering Youth and Underprivileged Communities

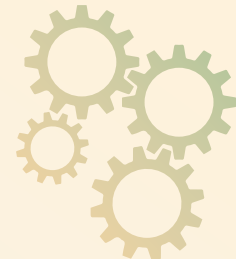
Data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) indicates that Kenya has a high out-of-school rate for upper-secondary school-age youth, with poverty being a significant contributing factor. In response to this, Bamburi Cement, operating across five remote and vulnerable counties, has implemented a scholarship program under its Education Pillar. This program provides full tuition, educational costs, termly maintenance, and mentorship to bright yet underprivileged students who might otherwise be unable to attend high school. To date, the program has supported 107 students, alleviating financial constraints and positively impacting over 100,000 community members. It is anticipated that these students will become the first in their communities to obtain technical and vocational education certificates, college diplomas, and university degrees. Through this initiative, Bamburi Cement reinforces its dedication to community development and providing opportunities to those in need.



36,000
 Individuals benefited from our free cervical cancer screening clinics.

1,000
 People hosted during the free medical camp by our Mombasa Plant.

107
 Number of students supported by the BCL scholarship program.



SUSTAINABLE PROCUREMENT

At Bamburi Cement, sustainability is deeply embedded in our procurement strategy. We are committed to ensuring that our sourcing practices prioritize responsibility, sustainability, and ethical conduct. By fostering sustainable competitiveness, protecting human rights, and minimizing environmental impacts across our supply chain, we aim to create a positive ripple effect that benefits not only our business but also the communities and environments we operate in.

Through collaboration with our suppliers and stakeholders, we strive to build a resilient and sustainable supply chain that aligns with global best practices in responsible procurement.

ESG/HS Prequalification

In 2025, Bamburi Cement achieved a significant milestone by ensuring 100% of our suppliers were prequalified based on Environmental, Social, Governance, and Health & Safety (ESG/HS) criteria. This success reflects our dedication to embedding sustainability and safety within our supply chain processes.

Recognizing that some suppliers faced challenges meeting these rigorous standards, we prioritized capacity building and knowledge sharing. Tailored training sessions and hands-on support enabled suppliers to bridge gaps, empowering them to align with our sustainability goals. This achievement not only strengthened our supplier relationships but also reinforced our commitment to driving positive change throughout the supply chain.

Increasing Underrepresented Groups in Our Supplier Base

As part of our broader efforts to foster inclusivity and equity, Bamburi Cement has intensified its focus on supporting women-owned, youth-owned and people living with disabilities-owned businesses. By raising awareness, building capacity, and enhancing local industry participation, we aim to create more opportunities for women entrepreneurs to thrive in private sector procurement.

In 2025, we partnered with leading organizations, including the IFC/World Bank Group, IFC's Sourcing2Equal Kenya program, WEConnect International, and Strathmore University, to host a virtual training session. This session equipped participants with the knowledge and skills needed to navigate private sector procurement opportunities, understand procurement processes, and meet requirements.

These initiatives are part of our ambition to allocate 30% of our total procurement spend to special groups, including women-owned businesses by 2030. We are proud to report that in 2025, our procurement spend on this category increased to 26%, reflecting our ongoing commitment to building an inclusive and diverse supplier base.

Green Mobility

Reducing our environmental footprint is a core pillar of Bamburi Cement's sustainability agenda. Our approach to green mobility focuses on lowering scope 3 emissions through strategic initiatives, including:



Frequent monitoring and emissions management: Ensuring we identify and address emission sources proactively.



Increased use of rail transport: Transitioning from road to rail transport, which has a lower carbon footprint. In 2025, 50% of our clinker transport was carried out via rail, significantly reducing emissions compared to road transport.



Promoting eco-driving practices: Training our drivers in eco-driving techniques to minimize fuel consumption and emissions.



Looking ahead, we are exploring the adoption of electric trucks within our supply chain. This innovative step will further align our operations with global trends in green mobility, helping us achieve our decarbonization goals while demonstrating leadership in sustainable logistics practices.

Women on Wheels Programme - Empowering Women, Transforming Lives

In Kenya, women make up only 10% of the workforce in public transportation, but account for 85% of the labor in the public service vehicle sector. This is partly due to the perception that women are not as empowered or trained as males to perform as well. Additionally, some women might not be aware of the financial opportunities the transportation industry presents for them and their families. By offering training to help the women acquire the necessary skills, knowledge, and mentorship, the Women on Wheels initiative, in collaboration with Kenyan private sector entities with transport and logistical capabilities, aims to bridge this gap.

The initiative has trained 58 women in total so far, with 20% of them being employed by our transportation



2025 SUSTAINABILITY REPORT (continued)

fleet and the remaining women obtaining commercial driving positions with other companies. Cumulatively, the initiative has provided women with life-changing income earning opportunities and a pipeline for mentorship in a comfortable learning environment. From feedback by the program partners, women drivers appear to be safer drivers than men which contributes to improved fuel consumption, less maintenance, and less vehicle wear and tear, saving expenditures in the long term.



Customer, Product and Innovation

First Class 60 Ready Mix Concrete in East Africa by BSP

In a leap forward for sustainable construction, Bamburi Special Products (BSP) recently pioneered the supply of East Africa's first C60 (high strength) Ready Mix concrete. This achievement underscores our commitment to innovation and pushing the boundaries of the industry.

Precision and Performance: Providing Solutions through Innovation

When the concrete pavement at the Southern Bypass weigh-in-motion axle load station failed, KeNHA faced a

significant challenge. Previous repairs had been ineffective due to concrete quality issues. In response, KeNHA specified Jointed Plain Concrete Pavement (JPCP) using Ultra-High Performance Concrete (UHPC), a demanding standard. As the sole regional producer of CEM I 52.5N OPC, the crucial component of UHPC, Bamburi Cement innovated a state-of-the-art solution.

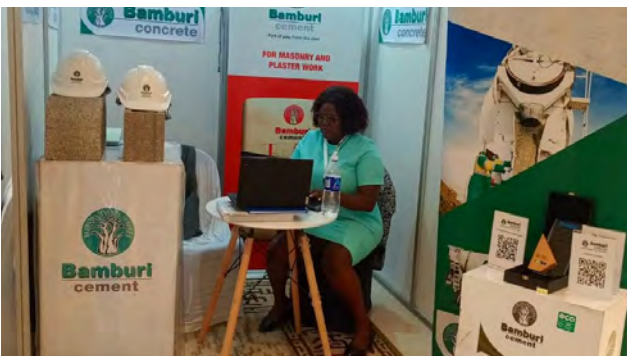
This solution surpassed KeNHA's requirements, resulting in a resounding success. The repaired section of the Southern Bypass became a showcase, providing valuable testimonials and solidifying Bamburi Cement's reputation as a leader in cement and concrete solutions.

Record Delivery: BSP's Swift Completion of a Large-Scale Concrete Order

Bamburi Special Products (BSP) exemplified operational excellence and strict adherence to Health, Safety, and Environment (HSE) standards. Recently, BSP successfully produced and delivered 1668 cubic meters of Ultra Waterproofed Concrete to a client in Nairobi's Pangani area within 32 hours.

This achievement was made possible through the utilization of BSP's extensive resources, including a fleet of 23 mixer trucks, two boom pumps, and a fixed pump, along with the operation of two batching plants.

The order was fulfilled on time and in full due to meticulous logistical and operational planning, coupled with strong teamwork. To ensure continuous operations and manage fatigue, reliever drivers, pump operators, batchers, and quality teams were deployed. This accomplishment was a testament to the dedication and efficiency of the BSP team.





By integrating ESG criteria into our daily operations, we've achieved a balance of economic performance, ecological stewardship, and social equity, ensuring our business delivers value for generations to come.



Corporate Governance Statement

Overview	46
The Board	46
Board Committees	50
Policies	52



NOTICE OF THE ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the **75th Annual General Meeting** of the Shareholders of Bamburi Cement Public Limited Company (the 'Company') will be held physically at the Nairobi Grinding Plant, Athi River on **Thursday, 25 June 2026 at 12.30P.M.** for purposes of transacting the following business:

Ordinary Business

1. To receive, consider and if approved, adopt the Company's Audited Financial Statements for the year ended 31 December 2025 together with the Reports of the Chairman, Chief Executive Officer, Directors and Auditors thereon.
2. To note that the Company does not recommend payment of a final dividend for the financial year ended 31 December 2025.
3. To re-elect Directors:
 - a) In accordance with Article 105 of the Company's Articles of Association, Dr. John Simba retires by rotation and being eligible, offers himself for re-election.
 - b) In accordance with Article 105 of the Company's Articles of Association, Dr. Helen Gichohi retires by rotation and being eligible, offers herself for re-election.
 - c) Pursuant to the provisions of Section 769 of the Companies Act 2015, Alice Owuor, Dr. Helen Gichohi, David Koros and Salem Balleith being members of the Board Audit & Risk Committee, be elected to continue to serve as members of the said Committee.
4. To approve the remuneration of Directors and the Directors' Remuneration Report for the year ended 31 December 2025.
5. To reappoint Messrs Ernst & Young as Auditors of the Company by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration for the year ending 31 December 2026.
6. To consider any other business of which due notice has been received.

Special Business

7. Approval of Company Policies:

To consider and if thought fit to pass the following resolution as an ordinary resolution:-

'That in accordance with the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, the Shareholder approves the following policies, and authorizes the Board to oversee the implementation of the these policies:

- a) Board Remuneration Policy
- b) Dispute Resolution Policy.

By order of the Board

Joyce Munene
Company Secretary

3rd June 2026

CORPORATE GOVERNANCE STATEMENT

OVERVIEW

The Board of Bamburi Cement Public Limited Company (the 'Company') firmly believes that good corporate governance is critical for the sustainability and long term success of Bamburi Group and to ensure sustainable returns for various stakeholders including Customers, Shareholders, Creditors, Suppliers, Employees and the Communities where the Company operates.

Corporate Governance refers to the structure, rules, systems, processes and principles used to direct and manage a company. The ultimate goal of effective Corporate Governance is long-term value creation and strengthening of a company's reputation. The Board is committed to ensuring that the highest standards in corporate governance and ethics are maintained across the organization as these form a sound bedrock for sustainable growth.

This Corporate Governance Statement is prepared to provide shareholders with necessary information to evaluate how the Company has applied the principles of the Capital Markets Act (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. The Company also complies with other laws and their regulations such as the Capital Markets Act, Companies Act 2015 and ethical standards such as the Amsons Code of Business Conduct. The statement should be read together with the wider corporate governance report on the Company's website.

Additionally, and in line with the guidelines issued by the CMA, the Company reviewed its governance structures, business model and supporting systems to ensure their continued relevance, effectiveness and flexibility to deal with the ever-changing business environment. The findings of past governance audits were considered and implemented as deemed necessary. Except where otherwise indicated, this Corporate Governance Statement reflects the Company's performance as at 31 December 2025.

THE BOARD

Mandate

The Board's main role is providing strategic leadership and stewardship for Bamburi Group. Its operations are governed by the Company's Articles of Association, the Code of Business Conduct, the Board Charter, the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, the Board annual work plan and statutory provisions under the laws of the Republic of Kenya.

To clarify its mandate and obligations to all, the Board has developed a Schedule of Matters Reserved for the Board, which are matters handled only by the Board or its Committees. Any issues outside these, are delegated to Management through the Schedule of Matters Delegated by the Board.

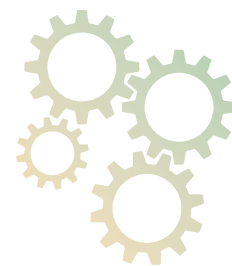
Key responsibilities of the Board include:

- Defining the Company's mission, vision, its strategy, sustainable goals, risk policy, plans and objectives;
- Approving the Company's annual budget which is usually done in November of each year;
- Overseeing the Company's management and operations, management accounts, major capital expenditure, performance and strategies;
- Identifying the business opportunities and principal risks in the Company's operating environment and regularly reviewing the adequacy and integrity of the Company's internal control systems and risk management framework;

- Developing an appropriate staffing and remuneration policy for senior management and the Board;
- Reviewing the Company's property acquisition and divestitures and management information systems;
- Monitoring the effectiveness of the agreed corporate governance practices and ensuring compliance with the Code of Business Conduct and applicable laws, regulations, rules and guidelines. The Board receives an update on all Code related issues, the outcome of investigations, proposed remediation actions and any disciplinary action taken;
- Reviewing and agreeing Board succession plans and approving Non-Executive Director appointments;
- Reviewing and approving the appointment of executive directors; and
- Establishing and implementing a system that provides necessary information to the shareholders and other stakeholders. The Board has ensured that the Company issues press releases/announcements with necessary information from time to time, publishes an annual report and sustainability report, and updates material on its website for shareholder and stakeholder appreciation.

The Board has set up two committees to perform its delegated functions i.e. the Audit & Risk Committee and the Nomination, Remuneration & Human Resource Committee.

The Board Charter and terms of reference for each committee are reviewed at a minimum once every two (2) years and updated to ensure that they remain dynamic and relevant. Both Committee charters will be reviewed this year and updated to reflect the changing business/regulatory environment and published on the Company's website.



Composition and Size

During the year ended 31 December 2025, the Board was composed of a total of eight (8) directors with six (6) being non-executive directors. The Board composition was as follows: Three (3) independent non-executive directors, three (3) non independent non-executive directors and two (2) executive directors, representing different nationalities and diverse professional backgrounds.

In line with the Company's Articles of Association and shareholding structure for the year ended 31st December 2025, two (2) out of the six (6) non-executive directors were shareholder nominees by Amsons Group.

Since the last report, the following changes were noted on the Board:-

- Karim Anjarwalla was appointed as a Non-Executive Director effective 12th June 2025
- Rita Kavashe resigned as a non-executive director effective 12th June 2025
- Mbuvi Ngunze resigned as a non-executive director effective 15th August 2025

At the Annual General Meeting held on 12th June 2025, Shareholders re-elected Alice Owuor who had retired by rotation. Rita Kavashe, although being eligible for re-election, did not offer herself.

With over 75% comprising of non-executive directors, the Board is able to effectively provide independent oversight on strategy, give appropriate leadership and direction to management, leverage on its network of outside contacts for the Bamburi Group's benefit while ensuring proper risk management within the acceptable parameters.

For the year under review, the Directors are satisfied with the effectiveness of the Board and its Committees and have put in place a plan to consistently close actions from the previous board evaluations.

Operations

With the support and assistance from the Chief Executive Officer and the Company Secretary, the Chair is responsible for the operations of the Board including, without limitation, providing leadership and guidance, setting the agenda and presiding over meetings.

The Board's operations are guided by an Annual Work Plan as well as any demands that may arise from time to time. The annual work plan for the year 2025 was reviewed and approved in a board meeting held in November 2024.

To adequately cover the Board's annual work plan, meeting dates for the full calendar year are agreed in November of the preceding year. In 2025, the Board held five (5) meetings (virtual and hybrid) to enable it to cover the planned activities for the year.

The Board attendance report for the year under review is set out below:

Director	Category	Board Meetings Attended	Board Meetings Eligible to Attend	AGM
Dr John Simba	Non-Executive	4/4	4/4	1/1
Mohit Kapoor	Executive	4/4	4/4	1/1
Eugene Antera	Executive	4/4	4/4	1/1
Alice Owuor	Independent Non-Executive	4/4	4/4	1/1
Dr Helen Gichohi	Independent Non-Executive	4/4	4/4	1/1
Mbuvi Ngunze* (Resigned on 15/8/2025)	Independent Non-Executive	2/4	2/2	1/1
Rita Kavashe (Resigned on 12/6/2025)	Independent Non-Executive	2/4	2/2	1/1
David Koros	Independent Non-Executive	1/4	4/4	0/1
Salem Balleith	Non-Executive	4/4	4/4	1/1
Karim Anjarwalla**	Non-Executive	2/4	3/3	1/1

NOTE: The numbers show attendance/number of meetings a director was entitled to attend.

*Represents directors who resigned during the period;

**Represents directors who were appointed during the period.

CORPORATE GOVERNANCE STATEMENT (continued)

While the Bamburi Group does not specify a time requirement that each director must dedicate for Company business, directors are expected to attend all meetings of the Board and the Committees on which they serve and to devote sufficient time to the Company to perform their duties. With Board papers and other documents circulated at least one week in advance, Directors are expected to be sufficiently prepared for and fully participate in all meetings.

The Chairman and Chief Executive Officer meet at least once a month, wherein the Chief Executive Officer updates the Chairman on any matters that require the Chairman's attention. Further, the Chairman and/or the Chief Executive Officer hold discussions with the directors, individually or jointly, to keep all directors updated and provide opportunity for the directors to raise any issues or concerns in between the meetings.

During the year, the Independent Non-Executive Directors also held closed discussions in the absence of Management.

Director Compensation

Director compensation is reviewed bi-annually by the Board and approved by the Shareholders at the Annual General meeting. The details of the Directors compensation are

contained in the Directors' Remuneration Report which is on page 60 of this Annual Report. The Board reviewed the non-executive director annual fees effective 1st July 2024, as approved by shareholders in the Annual General Meeting held on 13th June 2024.

The Executive Directors do not receive any additional compensation for their service on the Board..

Separation of Roles

In line with good governance, the roles of the Chairman of the Board of Directors and that of the Chief Executive Officer are held by two different individuals with each having clear and distinct responsibilities.

The responsibilities of the Chairman include providing leadership to the Board, management of Board affairs, Corporate Governance, Board performance evaluation, acting as the intermediary between the Board and Management as well as representing the Bamburi Group in interactions with stakeholders.

The Chief Executive Officer is responsible for the day-to-day running of the operations, ensuring the strategy approved by the Board is implemented within the defined risk matrix and that the objectives set are met.

TRAINING & EVALUATION

Induction and Training

The Board has set the principles on induction, development and training for Directors.

The Company Secretary is responsible for the induction of new Board members within these principles ensuring that each induction plan is tailor made to suit the individual's skills set, existing/required knowledge and role.

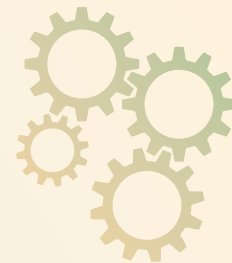
Continuous development training requirements are determined by the Board, based on the changing business environment, business needs, feedback from board evaluations and/or regulatory changes.

In line with requirements to ensure that each Director undergoes at least twelve (12) hours of training on corporate governance matters, the directors attended training interventions on corporate governance. The Company Secretary tracks compliance with the above training requirement.

Information

Together with their letters of appointment, incoming directors are provided with access to all information on corporate, business and legal obligations they should be aware of. The board manual includes documents such as the Board & Committee Charters and work plans, Company's Articles of Association, Schedules of matters reserved for and those delegated by the Board, Board policies together with corporate governance regulations.

For the year under review, directors received timely, accurate and complete information on all matters for which the Board is responsible. Board and Committee packs are circulated electronically seven (7) days in advance to give directors ample time to review the content and request clarification before any meeting. The documents are circulated via an electronic Board platform which allows real time access and updates as well as annotation of documents by the directors. This has enriched discussions as the directors can easily track their concerns when reviewing the documents, which Management addresses prior to and during the meeting.



Further, the Chair, Chief Executive Officer and the Company Secretary are available to the Board members at all times for any additional inputs. The Board can also seek independent professional advice at the Company's expense and have access to any internal resources that may be required.

Performance Evaluation

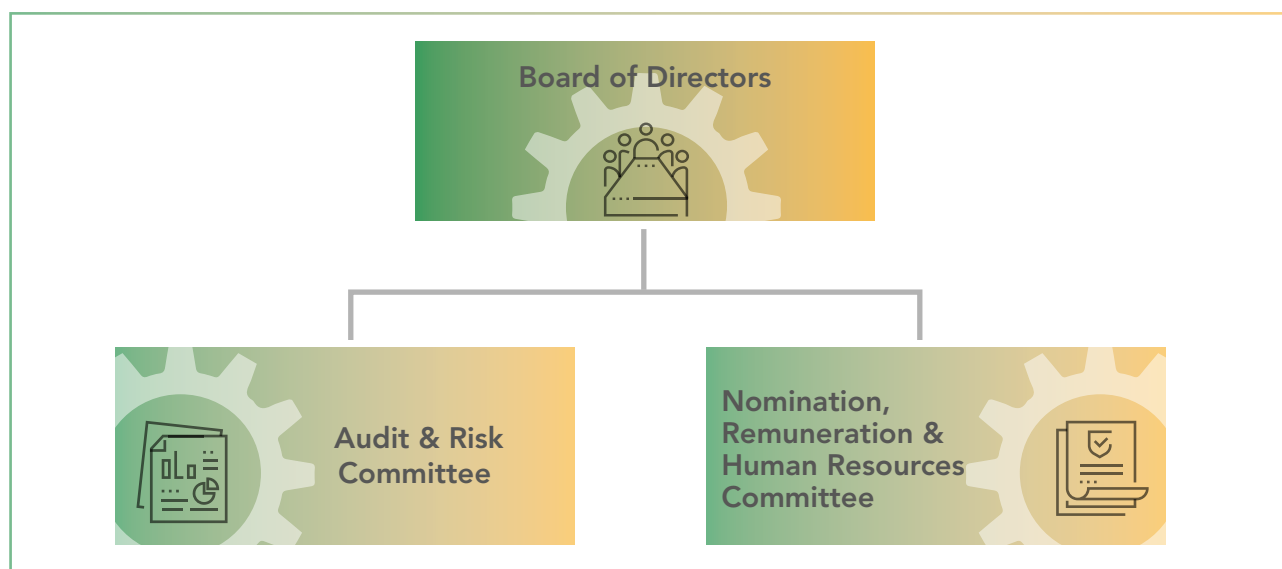
To ensure that its operations are sustainable and value adding, the Board regularly reviews its performance, which evaluation covers the board mandate, size, composition, meetings, stakeholder/shareholder relations, independence, induction & training, management relations and legal & ethical duties. The Board also annually reviews the efficiency and effectiveness of its Committees.

The evaluations are undertaken by each director, the Chair, the Chief Executive Officer and the Company Secretary and include director self-assessments. On completion of the assessment the Chair holds a feedback session with each individual director, each Committee Chair, the Company Secretary and with the full Board.

The 2025 Board evaluation was conducted by Carol Musyoka Consulting, an independent third-party service provider. The findings from the Board evaluation exercise were discussed and noted for implementation.

The Board is pleased to confirm that each board member continues to perform effectively and to demonstrate full commitment to their role. The Board annually assesses the independence of its non-executive directors and was satisfied that three (3) non-executive directors met the criteria for independence.

BOARD COMMITTEES



Each Board Committee is governed by a charter approved by the Board. The Charters are reviewed after every two years and set out the parameters of responsibility as well as the operational elements of each Committee.

The reports of the Audit & Risk Committee and the Nomination, Remuneration & HR Committee are tabled before the Board for adoption. The Board and the Committees are satisfied that the Committees met their mandates in 2025 as provided for in the respective Charters.

CORPORATE GOVERNANCE STATEMENT (continued)

BOARD COMMITTEES

Audit & Risk Committee

The Audit & Risk Committee comprises at least three (3) independent non-executive directors including a member with accounting qualification and in good standing with the respective professional association, in compliance with the CMA Code.

The current membership of the Committee was appointed by the shareholders at the 2025 Annual General Meeting on 12th June 2025.

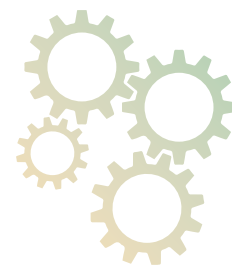
The Committee invites the Chief Executive Officer, Chief Finance Officer and the Internal Audit Director to attend all its meetings. Other members of the Board can also attend the meetings while members of Management are invited to present any reports required for the Committee to discharge its duties.

The Committee held five (5) meetings in 2025, to review the Group's financial interim and annual reports, the Management Letter arising from the external audit, litigation and contingent liabilities, Kenya Revenue Authority claims, internal audit work plan, special audit reports, sustainability reports, and the status reports on integrity line and other ethical issues. The Committee also met with the external auditors in the absence of Management.

The Committee reviewed several related party transactions and also reviewed and was satisfied with the independence, expertise and effectiveness of the external auditors (Ernst & Young) to carry out their audit mandate.

The Board Audit & Risk Committee attendance report for the year under review is set out below:

Director	Category	A&RC Meetings Attended	A&RC Meetings Eligible to Attend
Alice Owuor	Independent Non-Executive	5/5	5/5
Dr Helen Gichohi	Independent Non-Executive	4/5	5/5
Mbuvi Ngunze	Independent Non-Executive	3/5	3/3
Rita Kavashe	Independent Non-Executive	3/5	3/3
David Koros	Independent Non-Executive	3/5	5/5
Salem Balleith	Non-Executive	5/5	5/5



Nomination, Remuneration & Human Resources Committee (NR&HRC)

The NR&HRC is responsible for nomination of candidates for appointment to the Board and its Committees, succession planning for the Board, review of compliance with respective governance requirements, and receiving reports from the Company's staff retirement benefits scheme.

The Committee is composed of five (5) members, two of whom are independent non-executive directors...

In 2025, the Committee met three (3) times. They reviewed the senior management talent pipeline and succession planning as well as the employee value survey findings. They also received quarterly reports (on performance and compliance with the governance guidelines) from the Bamburi Cement Limited Staff Retirement Benefit Scheme.

The Committee also reviewed the composition of Board Committees, led the board evaluation, reviewed the independent legal & compliance audit implementation tracker. The outcome of the evaluation and skills review provided insight into the Board's skill strengths and focus development areas. It will be used to support succession planning and director training plans.

The charter of the NR&HRC is available at: <https://bamburigroup.com/bamburi-cement-investor-relations/>

The Board Nominations, Remuneration & Human Resources Committee attendance report for the year under review is set out below:

Director	Category	NR&HRC Meetings Attended	NR&HRC Meetings Eligible to Attend
Mbuvi Ngunze	Independent Non-Executive	2/3	2/2
Dr John Simba	Non-Executive	3/3	3/3
Alice Owuor	Independent Non-Executive	3/3	3/3
Dr Helen Gichohi	Independent Non-Executive	2/3	3/3
Salem Balleith	Non-Executive	3/3	3/3
Karim Anjarwalla	Non-Executive	1/3	1/1

CORPORATE GOVERNANCE STATEMENT (continued)

COMPANY SECRETARY

The Company Secretary is appointed by the Board and acts as Secretary to the Board as well as to all Board Committees.

The Company Secretary is the custodian of the Board's documents and is responsible for advising the Board on all legal and governance matters, Board induction and training, timely and appropriate dissemination of information/board papers, together with compliance with statutory and regulatory requirements. She also coordinates the governance audit, the legal and compliance audit and ensures that resultant actions are monitored and closed.

The Company Secretary is available to give detailed practical support and guidance to the directors, individually and collectively.

THE EXECUTIVE COMMITTEE

The day-to-day business and operations of Bamburi Group are delegated to the Executive Committee (ExCo) whose members are appointed by the Chief Executive Officer. The Committee consists of individuals responsible for the key business sections of Finance, Supply Chain, Procurement & Logistics, Plant Operations, Marketing, Human Resources and Legal & Compliance.

The ExCo meets monthly or as frequently as necessary and the agenda focuses specifically on delivery of performance objectives approved by the Board. For the year under review, the ExCo was instrumental in driving delivery of agreed company and functional targets and implementing Board resolutions to yield the strong performance set out in the Company's financial statements.

POLICIES

Code of Business Conduct (Integrity Line) & Speak Up Directive

Bamburi Group, through its Code of Business Conduct, emphasizes its commitment to ethics and compliance with laws, sets forth basic standards of behaviour for its employees, agents and directors when dealing with

clients, suppliers, competitors and the general public, provides reporting mechanisms for known or suspected breaches while also ensuring prevention and detection of wrongdoing.

During the year 2025, Amsons Group put in place a reporting system known as the 'Your Voice Matters, Speak Up' through which any person could report any violation of the Code of Business Conduct. The reporting channel is via email (integrityline@amsonsgroup.net). Reporting could be done anonymously or otherwise and was followed by an assessment of the report by the legal team and subsequent investigation as required. Remediation of any misconduct established through an investigation and strengthening of internal controls was managed by the applicable business function, with legal and other cross functional advice. Disciplinary action was taken as deemed necessary in line with Company policy.

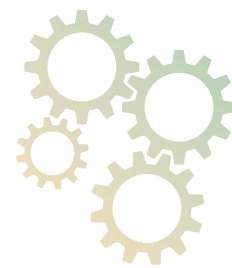
All the reports are reported to the Audit & Risk Committee meeting, with clear details of each report, findings and remediation actions taken, if any. In this way, the Board ensures that risks arising from any ethical issues are identified and mitigated appropriately. Management has also set up an Ethics & Compliance Committee which reviews reports on all integrity line and compliance concerns.

During the year, the Compliance team carried out training (face to face) for all staff on the new Amsons Code of Business Conduct.

Conflicts of Interest

The Board has put in place procedures for managing compliance with the conflict of interest provisions of the Companies Act 2015 and the CMA Code. The Board may authorize situational conflicts under the Company's Articles of Association.

Directors are required to declare any conflicts of interest in advance to the Chair or the Company Secretary. All such declarations are captured in the conflicts of interest register and considered at the next Board meeting. Declaration of conflicts of interest is an agenda in all Board and Committee meetings prior to discussion of the substantive agenda items. Directors who have an interest in a matter are excluded from certain actions tied to the matter under discussion including voting on that matter.



Risk Management

During the year 2025, risks were identified and assessed according to significance and likelihood. The full risk spectrum from market, operations, finance, legal, environmental and sustainability, to external risk factors of the business environment were reviewed, including compliance, reputational and transitional risks. Key risks were analyzed more deeply regarding their causes, and risk mitigating actions were defined. Risk transfer through insurance solutions and the internal control system forms an integral part of the risk management process.

Risks are monitored and their status reported to the Audit & Risk Committee quarterly. Independent assessments of the effectiveness of mitigating actions and controls are performed by the Company's Internal Audit & Controls function.

In 2025, a detailed quarterly review and analysis of the Company's risk map was carried out by the Audit & Risk Committee leading to implementation of appropriate mitigating actions.

Internal Control & Internal Audit

The Company's Internal Control function primarily aims to provide the Board and the Executive Committee with reasonable assurance on the reliability of the Company's financial reporting and statements, compliance with laws and regulations and the protection of assets. The Company has a set of Minimum Control Standards and a continuous reporting system on the existence and effectiveness of these controls and the status of any action plans.

On the other hand, the Company's Internal Control function works to provide the Board with an independent, risk-based, and objective assurance on the effectiveness and efficiency of the governance, risk management and internal control system of the Company.

The Committee reviewed, approved and tracked implementation of the Internal Audit plan, which captured the year's audit focus areas. It also reviewed the Internal Control action plan and report on sufficiency of internal controls (including compliance with the Amsons Group Minimum Control Standards). The main observations, findings observed and recommendations made during the audit/review assignments were reported periodically to the said Committee.

IT Policy

During the year 2025, the Board adopted the Amsons Group IT policy. The Policy aimed to create value as an innovative business enabler and an efficiency driver and included three domains - IT Security, IT Service Management and other IT

processes. The Policy sets out the areas of IT responsibility, its processes and a governance model. The IT framework was designed and maintained on a regular basis to keep the approach on an appropriate level of governance and to ensure efficient and secure IT processes.

The Company continued with a digitization project dubbed Project Ecosafi to identify additional opportunities for sustainability and cost reduction through automation of business processes, improving archiving of physical/soft copy documents and reducing printing.

Procurement Policy

The Bamburi Group Procurement Policy aims at providing complete management from strategy definition to execution. It ensures that procurement creates value by leveraging size and volumes, efficient processes and systems together with combined global expertise with a consistent focus on the lowest total cost of ownership/services.

The Procurement Policy provides for supplier sustainability compliance, adherence to the Bamburi Group's Health, Safety & Environment Standards as well as applicable laws and regulations as integral parts of any sourcing decisions.

Related Party Transactions Policy

The Policy applies to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

In the year under review, the Board through the Audit & Risk Committee reviewed the recommendations on each new and ongoing related party transaction and noted the amounts spent/received in these transactions. These related party transactions are declared in the audited financial statements as required.

Insider Dealing

The Company's Insider Trading & Market Disclosure Policy guides on market disclosures and matters to do with insider dealing.

To the best of the Company's knowledge, there was no insider dealing in the 2025 financial year.

Legal & Compliance Audit

The CMA Code requires the Board of a listed Company to subject the Company to a legal and compliance audit to establish the level of adherence to applicable laws, regulations and standards.

CORPORATE GOVERNANCE STATEMENT (continued)

A legal audit was conducted during the year 2024 and a follow up audit will be conducted in 2026.

Governance Audit

In line with requirements of the CMA Code, the Board has adopted the practice of conducting an independent governance audit once every two (2) years by a governance auditor accredited by the Institute of Certified Secretaries, Kenya.

Findings from the governance audits are also used to prepare remedial actions on any identified aspects of non-compliance to strengthen the Company's internal governance framework. A governance audit was conducted during the year 2023-2024 and a follow up audit will be conducted in 2026.

COMMUNICATION

The Board's communication strategy aims to provide shareholders with the highest standards of market

disclosure and financial transparency. The Board announces its achievements and prospects to shareholders by way of interim and full year financial results and press releases. Significant matters are disseminated to the market through announcements to the regulators, publication in the newspapers and posting on the Bamburi Group's website.

Annual General Meeting

The Company held its Annual General Meeting (AGM) physically on 12th June 2025.

The meeting was also attended by a representative from the external auditors (Ernst & Young) who presented their audit opinion. The documentation including minutes, resolutions passed and 2025 annual report are available on the Company's website.

Financial Results

The Company announces its financial results every six (6) months. The half year and full year results are released through publication in daily newspapers and the Company's website.



建精品工程树企业品牌
BUILD QUALITY PROJECTS TREE ENTERPRISE BRAND

BUSINESS OVERVIEW

SUSTAINABILITY REVIEW

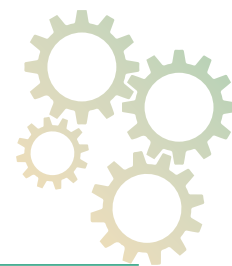
GOVERNANCE

FINANCIAL REVIEW



Financial Statements

Corporate Information	57
Directors' Remuneration Report	58
Report of the Directors	61
Statement of Directors' Responsibilities	62
Independent Auditor's Report	63
Consolidated Statement of Profit or Loss and Other Comprehensive Income	67
Company Statement of Profit or Loss and Other Comprehensive Income	68
Consolidated Statement of Financial Position	69
Company Statement of Financial Position	70
Consolidated Statement of Changes in Equity	71
Company Statement of Changes in Equity	72
Consolidated Statement of Cash Flows	73
Company Statement of Cash Flows	76
Notes to the Financial Statements	77



CORPORATE INFORMATION

DIRECTORS	Executive	
	G. Ndugwa	(Ugandan) Group Chief Executive Officer Appointed - 1 April 2026
	M. Kapoor	(Indian) Group Chief Executive Officer Resigned - 31 March 2026
	E. Antera	(Kenyan) Group Chief Finance Officer
	Non-executive	
	Dr. J. Simba	(Kenyan) Board Chair
	A. Owuor	(Kenyan)
	Dr. H. Gichohi	(Kenyan)
	D. Koros	(Kenyan)
	S. Balleith	(Tanzanian) Appointed 12 March 2025
K. Anjarwalla	(Kenyan) Appointed 12 June 2025	
R. Kavashe	(Kenyan) Resigned 12 June 2025	
M. Ngunze	(Kenyan) Resigned 15 August 2025	
C. Albertini	(Italian) Resigned 21 January 2025	
G. Earnshaw	(British) Resigned 21 January 2025	
K. Theiller	(Swiss) Resigned 21 January 2025	

SECRETARY **Joyce Munene**
 Certified Public Secretary (Kenya)
 LR No 209/6208, Kitui Road
 P.O. Box 10921 – 00100
 Nairobi, Kenya

REGISTERED OFFICE **LR No 209/6208**, Kitui Road,
 P.O. Box 10921 – 00100 Nairobi, Kenya

REGISTRARS **Custody & Registrars Services Limited**
 IKM Place, 1st Floor, Tower B Fifth Ngong Avenue
 P. O. Box 8484 – 00100 Nairobi, Kenya

AUDITORS **Ernst & Young LLP**
 Kenya-Re Towers, Upper Hill, Off Ragati Road
 P.O. Box 44286 – 00100
 Nairobi, Kenya

PRINCIPAL BANKERS

Citibank N A Citibank House, Upper Hill P. O. Box 30711 – 00100 Nairobi, Kenya	KCB Bank (Kenya) Limited Kencom House, Nairobi P.O. Box 48400 - 00100 Nairobi, Kenya
Standard Chartered Bank Kenya Limited Chiromo Branch, 48 Westlands Road P. O. Box 30003 – 00100 Nairobi, Kenya	Equity Bank (Kenya) Limited Equity Centre, Upper Hill P. O. Box 75104 – 00200 Nairobi, Kenya

DIRECTORS' REMUNERATION REPORT

The Bamburi Cement's Board has developed a Remuneration Policy, which forms the basis of remuneration for members of the Board of Directors (both executive and non-executive) and the Bamburi Group as a whole. The Remuneration Policy was guided by the Amsons Group's and by extension Bamburi Group's guiding principles on remuneration i.e.:

- **Pay for Performance:** To focus on providing the opportunity to achieve a higher level of overall remuneration while delivering short and long term performance which is directly linked to the Company's strategy; and,
- **Consistency and Transparency:** To reward all employees and directors across the business in a fair and transparent way, differentiating only by performance, value creation and market conditions.

This Report is compiled in compliance with Division 9 of the Kenyan Companies Act, 2015 and in accordance with the Tenth Schedule of the Companies (General) Regulations 2015. Where required and as indicated, the Report has been audited by the Company's external auditor i.e. Ernst & Young LLP.

The Nomination, Remuneration & Human Resources Committee (the 'Committee') is charged with the responsibility of overseeing enforcement of the above principles in the Company's remuneration practices. The Committee actively undertook its mandate in 2025 and is pleased to present the Directors Remuneration Report for the year ended 31 December 2025.

Board Changes

The following changes were noted on the Board since the last report:

- Karim Anjarwalla was appointed as a Non-Executive Director effective 12th June 2025
- Rita Kavashe resigned as a Non-Executive director effective 12th June 2025
- Mbuvi Ngunze resigned as a Non-Executive director effective 15th August 2025

The remuneration contained in this report is pro-rated to reflect the actual time served.

Executive Directors and Amsons Group Nominee Directors

In line with provisions of Article 94 of the Company's Articles of Association, any shareholder with shareholding above 25% is permitted to nominate two (2) persons for appointment as non-executive directors of the Company. The Amsons Group has nominated two (2) non-executive directors who were appointed by the Board.

The Amsons Group policy provides that executive directors so appointed to the Board of Directors of any Group Company will not receive any payment by virtue of their membership on the board.

As a result, executive directors only receive remuneration based on only what is provided for under the Remuneration Policy covering remuneration for salaried/management employees.

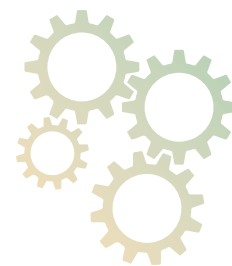
Non-Executive Directors

Pursuant to the Company's Remuneration Policy, non-executive directors are remunerated in the form of fees which do not include any pension, bonus or long-term incentives. The remuneration covers a director's participation in the Board, any Board Committee(s) and any other identified Company related activities.

The fees are comprised of a fixed annual base fee. The Chair of the Board is paid a fee for attending to Company business or events outside of regular meetings.

The key principles forming the basis for the remuneration of non-executive directors are that:

- The fees must be sufficient to attract, motivate and retain high calibre non-executive director talent at a cost acceptable to shareholders;
- The fees must be consistent with market rates for comparable companies (confirmed through appropriate market surveys/checks); and,
- The fees and increment rate must be approved by the Company's shareholders at a general meeting.



Remuneration Outcomes 2025: Executive Directors

Terms of Employment

The Executive Directors are employed under service contracts that are either fixed term or open ended. The dates of these contracts are set out below:

Name	Duration	Notice Period
Mohit Kapoor	Open Ended	3 Months
Eugene Antera	Open Ended	3 Months

Some of the contracts have an indefinite term while others are for the indicated fixed term, both of which may be terminated by either party by giving the indicated notice.

There were no significant changes to the remuneration in respect of pension or allowances during the year.

Salary Review

There was no salary review for executive director's during the year 2025.

Performance Bonus 2025

All employees participate in the Bamburi Group short term incentive programme where the bonus paid is discretionary and based on Company and individual performance.

During the year, no performance bonus was paid to staff. The executive directors received remuneration as set out below.

	SALARY		BONUS		BONUS		NON CASH BENEFITS		PENSION/ SOCIAL SECURITY		TOTAL	TOTAL
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Mohit KAPOOR	62,768	58,854	23,333	15,372	10,172	9,719	6,578	5,921	4,714	4,895	107,565	94,760
Eugene ANTERA	13,329	12,747	4,925	2,560	3,224	3,233	1,492	1,527	1,605	1,549	24,576	21,615

¹ Includes, where applicable, school fees, home travel, insurance covers, house, car and driver.

Remuneration Outcomes: Non-Executive Directors

Terms of Employment

The non-executive directors (including the Chair of the Board) are appointed by letters of appointment, which do not contain a fixed term period. This appointment is subject to performance review and re-election by the shareholders at the Company's annual general meetings in line with the Company's Articles of Association and the Board Charter.

The dates of the letters of appointment are set out below:

Name	Date of Appointment	Tenure (at 31 December 2025)
1. Dr John P.N. Simba	29 November 2012	13 years 1 month
2. Alice Owuor	10 March 2017	8 years 9 months
3. Dr Helen Gichohi	10 March 2017	8 years 9 months
4. David Koros	7 December 2023	2 years
5. Salem Balleith	12 March 2025	6 Months
6. Karim Anjarwalla	12th June 2025	6 Months

Apart from their service contracts, no director has had any material interest in any contract with the Bamburi Group.

DIRECTORS' REMUNERATION REPORT (continued)

Remuneration Outcomes: Non-Executive Directors (Continued)

Terms of Employment (Continued)

In the Annual General Meeting held on 12th June 2025, shareholders approved that directors should fix the remuneration of non-executive directors. However, there was no increase in non-executive directors' remuneration during the year.

The fees paid to non-executive directors in 2025 were as follows:

Non-Executive Director Remuneration				
Name	Consolidated Annual Fees 2025	2024 Retainer Fees	2024 Sitting Allowance ¹	Total 2024
	Kes '000	Kes '000	Kes '000	Kes '000
1. Dr John P.N. Simba	4,989	1,980	2,726	4,706
2. Rita Kavashe	1,732	920	1,855	2,775
3. Alice Owuor	3,465	920	2,333	3,253
4. Dr Helen Gichohi	3,465	920	2,213	3,133
5. Mbuvi Ngunze	2,165	920	2,333	3,253
6. David Koros	3,465	-	1,496	1,496
7. Salem Balleith	2,887	920	-	920
8. Karim Anjarwalla	1,913			
TOTAL FEES	24,081	6,580	12,956	19,536

¹ Must be read together with the attendance register for purposes of the sitting allowance

The Directors' travel is fully facilitated by the Company and therefore no travel and related expenses are incurred by the individual directors. However, in the unlikely event that this happened, the Company reimbursed the cost.

The non-executive directors in the above table are not members of the Bamburi Group pension scheme by virtue of sitting on the Board.

Voting on the remuneration report at the 2025 Annual General Meeting and engagement with shareholders

During the 2025 AGM, held on 12th June 2025, 100% of the votes cast (362,892,193) were in favour of the Directors' Remuneration Report.

Directors' Shareholding

As at 31 December 2025, none of the Directors of Bamburi Cement PLC held shares in the Company.

Senior Management Shareholding

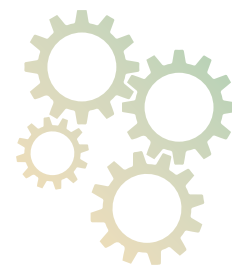
As at 31 December 2025, none of the employees forming part of the Company's senior management held shares in the Company.

On behalf of the Board,

Dr. Helen Gichohi

Chair - Nomination, Remuneration & HR Committee

19 March 2026



REPORT OF THE DIRECTORS

The directors have the pleasure of presenting their Annual Report together with the audited financial statements of Bamburi Cement Public Limited Company (the "Company" or "Bamburi Cement PLC") and its subsidiaries (together the "Group") for the year ended 31 December 2025, in accordance with Section 653 (1) of the Kenyan Companies Act, 2015 which disclose the state of financial affairs.

1. PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacture and sale of cement and cement related products. The Group also owns and maintains a world-class nature and environmental park created from rehabilitated quarries.

2. DIVIDENDS

During the year, the directors did not recommend payment of dividend (2024:Nil)

3. DIRECTORS

The directors who served during the year and up to the date of approval of this report are disclosed on page 1 The following changes took place in the Board of Directors since the last Annual General Meeting.

- Karim Anjarwalla were appointed as Non-Executive Directors effective 12th June 2025.
- Rita Kavashe and Mbuvi Ngunze resigned as Non-Executive Directors effective 12th June 2025 and 15th August respectively.

4. BUSINESS REVIEW

The Group's business review and the discussions of the principal risks and uncertainties facing the Group are discussed under chairman's statement, the Group Chief Executive Officer's statement, the operational review and financial risk management in note 37 to the financial statements.

5. STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- There is, so far as the director is aware, no relevant audit information of which the Group's auditor is unaware; and,
- The director has taken all the steps that the director ought to have taken as director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

6. AUDITORS

Ernst & Young LLP, having expressed their willingness, continue in office in accordance with the provisions of Section 719 (2) of the Kenyan Companies Act 2015 and being eligible, offer themselves for re-election in accordance with provisions of Section 721 of the said act. The directors monitor the effectiveness, objectivity and independence of the auditor and also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

By Order of the Board

Joyce Munene
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Group and the Company keeps proper accounting records that: (a) show and explain the transactions of the Group and Company; (b) disclose, with reasonable accuracy, the financial position of the Group and Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Kenyan Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015.

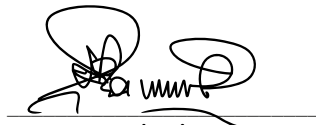
They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.


Having made an assessment of the Group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's ability to continue as a going concern.

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

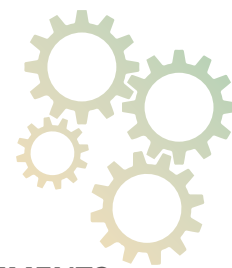
Approved by the Board of directors on 16 April 2026 and signed on its behalf by:



Dr. John P.N. Simba
Chairman



Geoffrey Ndugwa
Group Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Bamburi Cement Plc (the "Company") and its subsidiaries (together with the Company, the "Group") as set out on pages 29 to 109, which comprise the consolidated and separate statements of financial position at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Kenya. 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

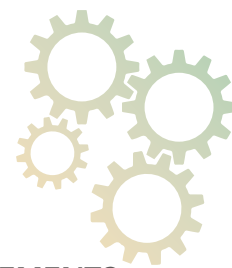
We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Expected credit losses (ECL) on trade receivables	
See Notes 1 (o), 2, 21 and 35 ii to the consolidated and separate financial statements	
<p>As disclosed in Note 21(a), as at 31 December 2025, the Group and the Company had impairment losses (allowance for expected credit losses (ECL)) on trade receivables, carried at amortised cost, of Kes 165 million (2024: 152 million) and Kes 137 million (2024: 127 million), respectively.</p> <p>The expected credit losses are based on a forward-looking approach that recognises impairment loss allowances in accordance with IFRS 9 Financial Instruments. The estimation of expected credit losses requires the Group and the Company to make significant judgements. and estimation as follows:</p> <ul style="list-style-type: none"> The loss allowance is calculated on a modelled provision matrix (historical loss rates) which incorporates observable data, assumptions, and estimations. The development and execution of these models requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) together with determining the period over which the observed historical loss rates are appropriate.; and, Adjusting the historical loss rates with forward looking macro-economic factors. Assessment of significant increase in credit risk For certain individual trade receivables, who has had a significant increase in credit risk since initial recognition, the loss allowance is measured based on their credit information, including forward-looking macroeconomic information. <p>The determination, recognition and disclosures of ECL has been considered a key audit matter due to the inherent estimation uncertainty and the significant judgments made by management in arriving at the ECL amounts recognised in the financial statements. The complexity and forward-looking nature of the inputs required in making these estimates necessitate special audit focus in their review. Also, management is required to make disclosures in the financial statements to explain the judgements, key inputs and assumptions made in the determination of the ECL and its recognition in the financial statements.</p> <p>The disclosures are included in Note 2 of the consolidated and separate financial statements for significant accounting judgements, estimation and assumptions. Also refer to notes 1(o), 21 and 35 (ii) that provides details on the estimated expected credit loss disclosures.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Reviewing the accounting policies for compliance with IFRS 9 requirements. Reviewing the ECL models including whether the assumptions applied, and the functioning and application of the models were in accordance with IFRS 9 requirements. Assessing whether forecasted macroeconomic variables were appropriate. Assessing whether the period over which the observed historical loss rates was appropriate in developing the expected loss rates. Testing the data used in the ECL calculation for accuracy and completeness. Reviewing the individually assessed provisions, on a sample basis, and challenged management's forward- looking economic assumptions of the recovery outcomes identified. Evaluating completeness of the Group and the Company's disclosures in respect of the judgement and assumptions used in the valuation are in line with IFRS 9 Financial Instruments



INDEPENDENT AUDITOR'S REPORT (continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the information included on pages xx to xx of the document titled "Bamburi Cement PLC Annual Report and Audited Consolidated and Separate Financial Statements for the year ended 31 December 2025", which includes of the Report of the Directors, as required by the Kenyan Companies Act, 2015, Corporate Information, Group Chairman's statement, Group CEO's Statement, Operational Review, Corporate Governance Report, the Statement of Directors' Responsibilities and the Directors' Remuneration Report, other than the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company'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 and or the Company or to cease their operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements(continued)

- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as going concerns. 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 consolidated and separate 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 our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors 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.
- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore 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 KENYAN COMPANIES ACT, 2015

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

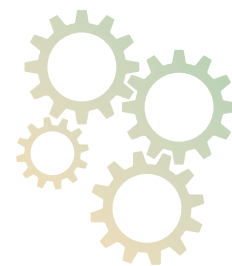
- i) in our opinion, the information given in the report of the directors on page xx is consistent with the consolidated and separate financial statements.
- ii) in our opinion, the auditable part of the directors' remuneration report on pages xx to xx has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Denis Mugisha, Practising certificate 2773.

For and on behalf of Ernst & Young LLP Nairobi, Kenya



29 April 2026



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Kes'million	2024 Kes'million
Continuing operations			
Revenue from contracts with customers	4	24,896	21,914
Cost of goods sold	5	(16,964)	(16,243)
Cost of transport service	5	(1,684)	(1,214)
Gross profit		6,248	4,457
Other income	7(i)	131	233
Other gains and losses	8	81	(1,652)
Marketing and selling expenses	9(i)	(369)	(411)
Administration expenses	9(ii)	(2,114)	(1,941)
Impairment of PPE and Intangible assets	9 (iii)	(1)	(15)
Net impairment losses on financial assets	21 (b)	(13)	29
Operating profit		3,963	700
Finance income	7(ii)	206	310
Finance costs	7(iii)	(37)	(39)
Finance income/(costs) – net		169	271
Profit before income tax	11(a)	4,132	971
Tax charge	12(a)	(1,049)	(897)
Profit for the year		3,083	74
Profit for the year from continuing operations		3,083	74
Discontinued operations			
Profit from discontinued operations	17(b)	-	355
Loss on disposal of subsidiary	17(c)	-	(1,334)
Loss from discontinued operations		-	(979)
Loss for the year		3,083	(905)
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gains/(Loss)	27	(29)	3
Fair value gain on investments in equity instruments designated as at FVTOCI	18(b)	447	255
Income tax on comprehensive income not to be reclassified to profit or loss		(9)	(1)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		409	257
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of discontinued operations	17(b)	-	(1,457)
Exchange difference reclassification on disposal of foreign subsidiary	17(b)	-	(635)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	(2,092)
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX		409	(1,835)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		3,492	(2,740)
Profit for the year attributed to:			
Owners of the parent Company		3,083	(1,012)
Non-controlling interest	17(b)	-	107
		3,083	(905)
Other comprehensive income attributed to:			
Owners of the parent Company		409	(1,398)
Non-controlling interest	17(b)	-	(437)
		409	(1,835)
Total comprehensive income attributed to:			
Owners of the parent Company		3,492	(2,409)
Non-controlling interest	17(b)	-	(331)
		3,492	(2,740)
Earnings per share – basic and diluted	13	8.49	(2.79)
Earnings per share – continuing operations	13	8.49	(3.47)

Business Overview

Sustainability Review

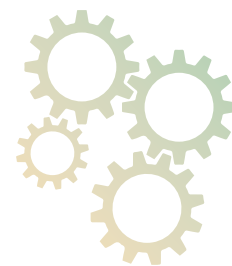
Governance

Financial Review

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Kes'million	2024 Kes'million
Revenue from contracts with customers	4	23,404	20,795
Cost of goods sold	5	(15,913)	(15,367)
Cost of transport service	5	<u>(1,494)</u>	<u>(1,131)</u>
Gross profit		5,997	4,297
Other income	7(i)	131	6,868
Other losses	8	(1,008)	(326)
Marketing and sales expenses	9(i)	(336)	(379)
Administration expenses	9(ii)	(2,043)	(1,901)
Impairment of property, plant and equipment	9(iii)	(1)	(15)
Net impairment losses on financial assets	21(b)	(10)	31
Operating profit		<u>2,730</u>	<u>8,575</u>
Finance income	7(ii)	213	135
Finance costs	7(iii)	<u>(34)</u>	<u>(37)</u>
Finance income/(costs) - net		<u>179</u>	<u>98</u>
Profit before tax	11(a)	<u>2,909</u>	<u>8,673</u>
Tax charge	12(a)	<u>(1,020)</u>	<u>(818)</u>
Profit for the year		<u>1,889</u>	<u>7,855</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Fair value gain on investments in equity instruments designated as at FVTOCI	18(b)	447	255
Actuarial gains	27	(21)	3
Income tax on other comprehensive income not to be reclassified to profit or loss in subsequent periods	12(b)	<u>(6)</u>	<u>(1)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>420</u>	<u>257</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,309</u>	<u>8,112</u>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 Kes'million	2024 Kes'million
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15(a)	22,474	23,039
Intangible assets	16(a)	54	10
Equity investments	18(a)	<u>792</u>	<u>345</u>
		<u>23,320</u>	<u>23,394</u>
CURRENT ASSETS			
Inventories	19	2,740	2,394
Trade and other receivables	21(a)	1,851	1,872
Corporate tax recoverable	12(d)	306	97
Cash and cash equivalents	22(a)	<u>7,824</u>	<u>5,249</u>
		12,721	9,612
TOTAL ASSETS		<u>36,041</u>	<u>33,006</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	1,815	1,815
Asset revaluation reserve	24(a)	12,192	12,666
Fair value reserve	24 (c)	590	143
Retained earnings		<u>14,120</u>	<u>10,601</u>
Equity attributable to owners of the Company		28,717	25,225
Total equity		<u>28,717</u>	<u>25,225</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	25	2,869	2,796
Provisions	26	155	164
Employees' defined benefit liabilities	27	<u>184</u>	<u>164</u>
		<u>3,208</u>	<u>3,124</u>
CURRENT LIABILITIES			
Provisions	26	114	88
Employees' defined benefit liabilities	27	28	109
Trade and other payables	28	3,974	4,277
Corporate tax payable	12(d)	<u>-</u>	<u>183</u>
		4,116	4,657
TOTAL EQUITY AND LIABILITIES		<u>36,041</u>	<u>33,006</u>

The financial statements on pages 28 to 105 were approved and authorised for issue by the Board of Directors on **16 April 2026** and were signed on its behalf by:

Dr John P.N Simba
Chairman

Geoffrey Ndugwa
Group Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 Kes'million	2024 Kes'million
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15(b)	21,816	22,392
Intangible assets	16(a)	31	10
Investments in subsidiaries	17(a)	398	1,809
Loan to subsidiary	32(d)	221	306
Equity investments	18(a)	<u>792</u>	<u>345</u>
		<u>23,258</u>	<u>24,862</u>
CURRENT ASSETS			
Inventories	20	2,583	2,252
Trade and other receivables	21(a)	2,395	2,245
Loan to subsidiary	32(d)	85	76
Corporate tax recoverable	12(d)	233	-
Cash and cash equivalents	22 (a)	<u>7,555</u>	<u>4,402</u>
		<u>12,851</u>	<u>8,975</u>
TOTAL ASSETS		<u>36,109</u>	<u>33,837</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	1,815	1,815
Asset revaluation reserve	24(a)	12,192	12,666
Fair value reserve	(24 (c))	590	143
Retained earnings		<u>14,519</u>	<u>12,183</u>
Total equity		<u>29,116</u>	<u>26,807</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	25	2,860	2,794
Provisions	26	155	163
Employees' defined benefit liabilities	27	<u>166</u>	<u>156</u>
		<u>3,181</u>	<u>3,113</u>
CURRENT LIABILITIES			
Provisions	26	112	87
Employees' defined benefit liabilities	27	27	106
Trade and other payables	28	3,673	3,541
Corporate tax payable	12 (d)	<u>-</u>	<u>183</u>
		<u>3,812</u>	<u>3,917</u>
TOTAL EQUITY AND LIABILITIES		<u>36,109</u>	<u>33,837</u>

The financial statements on pages 28 to 105 were approved and authorised for issue by the Board of Directors on

16 April 2026

and were signed on its behalf by:



Dr John P.N Simba
Chairman



Geoffrey Ndugwa
Group Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

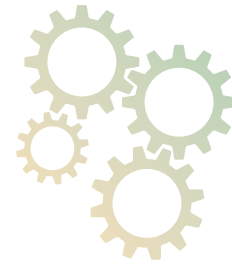
FOR THE YEAR ENDED 31 DECEMBER 2025

Year ended 31 December 2025

	Share capital Kes' million Note 23	Asset revaluation reserve Kes' million Note 24(a)	Fair valuation reserve Kes' million Note 24(c)	Retained earnings Kes' million	Total Kes' million
At 1st January 2025	1,815	12,666	143	10,601	25,225
Profit for the year	-	-	-	3,083	3,083
Other comprehensive income for the year	-	-	447	(38)	409
Total comprehensive income for the year	-	-	447	3,045	3,492
Transfer of excess depreciation (net of tax)	-	(474)	-	474	-
	-	-	-	-	-
At 31st December 2025	1,815	12,192	590	14,120	28,717

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 24(a).
- Retained earnings represent accumulated profits retained by the Group after payment of dividends to the shareholders.
- Fair value reserve represents the cumulative gains and losses arising from revaluation of available for sale investments (other equity investments) from cost to fair value based on the market values of equities at the end of the reporting period – Note 24(c)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

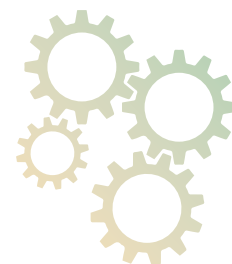
FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December 2024

	Attributable to the equity holders of the parent							
	Share capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Translation reserve Kes'million Note 24(b)	Fair valuation reserve Kes'million Note 24(c)	Retained earnings Kes'million	Total Kes'million	Non- controlling interests Kes'million	Total equity Kes'million
At 1st January 2024	1,815	14,649	1,655	-	18,125	36,244	5,042	41,286
Profit/(Loss) for the year	-	-	-	-	(1,011)	(1,011)	106	(905)
Other comprehensive income for the year	-	-	(1,655)	143	114	(1,398)	(437)	(1,835)
Total comprehensive income for the year	-	-	(1,655)	143	(897)	(2,409)	(331)	(2,740)
Transfer of excess depreciation (net of tax)	-	(392)	-	-	392	-	-	-
Reclassification of revaluation on disposal of subsidiary	-	(1,591)	-	-	1,591	-	-	-
Elimination of non-controlling interest on disposal Dividends (note 14(b)):	-	-	-	-	-	-	(4,711)	(4,711)
Final dividends for 2023 declared and approved	-	-	-	-	(1,985)	(1,985)	-	(1,985)
Special dividends paid	-	-	-	-	(6,625)	(6,625)	-	(6,625)
At 31st December 2024	1,815	12,666	-	143	10,601	25,225	-	25,225

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 24(a).
- Retained earnings represent accumulated profits retained by the Group after payment of dividends to the shareholders.
- The translation reserve represents the cumulative position of translation gains and losses arising from conversion of net assets of the foreign subsidiary Company to the presentation currency - note 24(b).



COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share Capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Fair valuation reserve Kes'million Note 24(c)	Retained earnings Kes'million	Total equity Kes'million
Year ended 31 December 2025					
At 1 January 2025	1,815	12,666	143	12,183	26,807
Profit for the year	-	-	-	1,889	1,889
Other comprehensive income for the year	-	-	447	(27)	420
Total comprehensive income for the year	-	-	447	1,862	2,309
Transfer of excess depreciation (net of tax)	-	(474)	-	474	-
Dividends: (Note 14(b))					
Final dividends for 2024 declared and approved	-	-	-	-	-
Special dividend declared and approved	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2025	<u>1,815</u>	<u>12,192</u>	<u>590</u>	<u>14,519</u>	<u>29,116</u>

The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - note 24(a).
- The retained earnings represent accumulated profit retained by the Company after payment of dividends to the shareholders.
- Fair value reserve represents the cumulative represents the cumulative gains and losses arising from revaluation of available for sale investments (other equity investments) from cost to fair value based on the market values of equities at the end of the reporting period – Note 24(c)

	Share Capital Kes'million Note 23	Asset revaluation reserve Kes'million Note 24(a)	Fair valuation reserve Kes'million Note 24(c)	Retained earnings Kes'million	Total equity Kes'million
Year ended 31 December 2024					
At 1 January 2024	1,815	13,058	-	12,432	27,305
Profit for the year	-	-	-	7,855	7,855
Other comprehensive income for the year	-	-	143	114	257
Total comprehensive income for the year	-	-	143	8,112	8,112
Transfer of excess depreciation (net of tax)	-	(392)	-	392	-
Dividends: (Note 14(b))					
Final dividends for 2023 declared and approved	-	-	-	(1,985)	(1,985)
Special dividend declared and approved	-	-	-	(6,625)	(6,625)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,610)</u>	<u>(8,610)</u>
At 31 December 2024	<u>1,815</u>	<u>12,666</u>	<u>143</u>	<u>12,326</u>	<u>26,807</u>

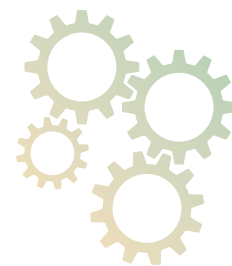
The reserve accounts included in the statement of changes in equity are explained below:

- The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - note 25(a).
- The retained earnings represent accumulated profit retained by the Company after payment of dividends to the shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Kes'million	2024 Kes'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	4,610	4,680
Net foreign exchange losses		74	-
Interest received	7(ii)	76	310
Tax paid	12(d)	<u>(1,379)</u>	<u>(954)</u>
Net cash generated from operating activities		<u>3,381</u>	<u>3,726</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15(a)	(781)	(1,108)
Purchase of Intangible assets	15(a)	(51)	-
Proceeds from disposal of subsidiary		-	8,186
Proceeds from disposal of property, plant and equipment		20	15
Dividend received		<u>11</u>	<u>-</u>
Net cash from/ (used in) investing activities		<u>(801)</u>	<u>7,403</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	14(b)	-	(8,610)
Net cash generated used in financing activities		<u>-</u>	<u>(8,610)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>2,580</u>	<u>2,519</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		5,249	4,372
Net increase in cash and cash equivalents during the year		2,580	2,519
Effects of exchange rate changes on cash held in foreign currencies		<u>(5)</u>	<u>(1,642)</u>
Cash and cash equivalents and at end of the year	22(b)	<u>7,824</u>	<u>5,249</u>



COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Kes' million	2024 Kes' million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	4,703	4,788
Interest received	7(ii)	80	135
Net foreign exchange loss		(91)	-
Tax paid	12(d)	<u>(1,376)</u>	<u>(951)</u>
Net cash generated from operating activities		<u>3,316</u>	<u>3,972</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15(b)	(733)	(1,058)
Purchase of intangible assets		(27)	-
Capital reduction in subsidiary		500	-
Dividends received from subsidiary and disposal group	7(i)	-	6,635
Dividend received from equity investment	7(i)	11	-
Loan repayments		79	73
Proceeds from disposal of property, plant and equipment		<u>9</u>	<u>15</u>
Net cash (used in) /from investing activities		<u>(161)</u>	<u>5,665</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the shareholders	14(b)	-	(8,610)
Net cash used in financing activities		<u>-</u>	<u>(8,610)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>3,155</u>	<u>1,027</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		4,402	3,693
Net increase in cash and cash equivalents during the year		3,155	1,027
Effects of exchange rate changes on cash held in foreign currencies		<u>(2)</u>	<u>(318)</u>
Cash and cash equivalents at the end of the year	22(b)	<u>7,555</u>	<u>4,402</u>

Business Overview

Sustainability Review

Governance

Financial Review

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the financial statements of Bambuti Cement Plc (the "Company") and its subsidiaries (together, the "Group") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The consolidated and separate financial statements have been prepared on historical cost basis of accounting except for certain items of property, plant and equipment, equity instruments and financial assets that have been measured at fair value (fair value through other comprehensive income), and except where otherwise stated in the accounting policies below.

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), and in the manner required by the Kenyan Companies Act, 2015. The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are presented in millions of Kenya Shillings (Kes' Million), which is the functional currency of the parent Company, and the presentation currency for the consolidated financial statements.

For the purpose of reporting under the Kenyan Companies Act, 2015, the balance sheet in these financial statements is represented by statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

b) New and amended standards and interpretations

New and revised IFRS Standards effective for the year ended 31 December 2025

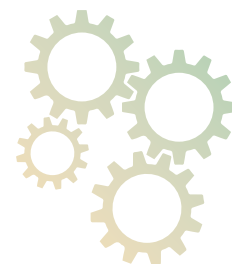
The Group applied for the first-time the amendment to IAS 1, which is mandatorily effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new amendments is as below: -

Amendments to IAS 21 – Lack of exchangeability

The amendments specify how entities should determine whether a currency is exchangeable into another currency and how determine the spot exchange rate to use when exchangeability is lacking. The amendments add disclosure requirements that enable users of its financial statements understand how lack of exchangeability affects the entities performance, financial position and cashflows.

The amendments had no impact on the Group's consolidated financial statements



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

b) New and amended standards and interpretations (continued)

New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2025

New and amendments to Standards	Effective date on annual periods beginning on or after
Amendments to the classification and measurement of financial instruments : <i>Amendments to IFRS 9 and 7</i>	1 January 2026
Annual improvement to IFRS accounting standards	1 January 2026
Contracts Referencing Nature-dependent Electricity: <i>Amendments to IFRS 9 and IFRS 7</i>	1 January 2026
IFRS 18: Presentation and disclosure in financial statements	1 January 2027
IFRS 19: Subsidiaries without public accountability	1 January 2027

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The IASB issued amendments to IFRS 7 and IFRS 9 in May 2024 on classification and measurement of financial instruments.

These amendments:

Clarifies the specific dates for the recognition and derecognition of financial assets and liabilities. This includes a new accounting policy choice (an exception) for certain financial liabilities settled via electronic cash transfer systems before the reporting date.

Provides additional guidance on determining whether a financial asset's contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI).

Introduces new disclosure requirements for instruments with contingent contractual cash flows, specifically targeting features linked to Environmental, Social, and Governance (ESG) targets.

Mandates expanded disclosures for equity investments designated at Fair Value through Other Comprehensive Income (FVOCI).

The Directors of the Group do not expect these amendments to have a material impact on the consolidated financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In September 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The Directors of the Group do not expect these amendments to have a material impact on the consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments are not expected to materially impact on the Group's financial statements.

In December 2024, the IASB issued amendments to IFRS 7 and IFRS 9 to allow entities to better reflect nature-dependent electricity contracts in the financial statements. The amendments:

Clarify the application of the 'own-use' criteria to nature-dependent electricity contracts;

Permit hedge accounting if these contracts are used as hedging instruments; and

Add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows.

The Group currently accounts for its power purchase agreement on a usage basis and it is anticipated that, on adoption of the amendment, the group will be able to apply the own-use exception for accounting purposes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

b) New and amended standards and interpretations (continued)

New and revised IFRS Standards in issue but not yet effective for the year ended 31 December 2025 (continued)

IFRS 18 Presentation and disclosure in financial statements

IFRS 18 replaces *IAS 1 presentation of financial statements*. It introduces new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

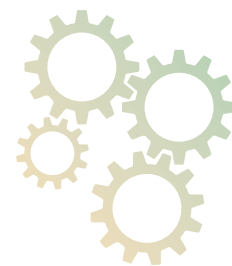
IFRS 18 introduces new requirements; Present specified categories and defined subtotals in the statement of profit and loss and provide disclosures on management-defined performance measures in the notes to financial statements. Additionally, amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

The directors of the Group are currently assessing the impact of the new standard on the group's financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries of parent entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. A subsidiary is eligible for reduced disclosure if at the end of the reporting period it does not have public accountability, and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The Group's equities are publicly traded, IFRS 19 does impact presentation of the Group's consolidated financial statements



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A list of the subsidiaries in the Group is provided in Note 17(a).

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e, existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and/or
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

When the proportion of the equity held by non-controlling interests changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the Group. The Group recognises directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributable to the owners of the parent.

Disclosures of non-controlling interests are included in Notes 17(b).

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

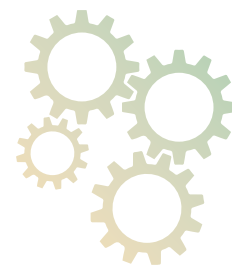
If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in profit or loss in accordance with the IFRS. If the contingent consideration is not within the scope of IFRS 9, it is measured at each reporting date and changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the cash generating units expected to benefit from the synergies of the business combination. Cash generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of the goodwill allocated to the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

e) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is considered to be met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell,

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Property, plant and equipment and intangible assets are not depreciated or amortised while they are classified as held for sale. However, interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit or loss.

Additional disclosures are provided in Note 18 (b). All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

f) Translation of foreign currencies

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

f) Translation of foreign currencies (continued)

ii) Translation of foreign operations

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

- assets and liabilities for each statement of financial position presented are translated into Kenya Shillings using exchange rates prevailing at the end of the reporting period;
- income and expenses for each statement of profit or loss and other 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
- all resulting exchange differences are recognised under other comprehensive income and accumulated in a separate heading, translation reserve, in the consolidated statement of changes in equity.

When a foreign operation is sold, the cumulative amount of the exchange differences relating to that foreign entity, recognised in other comprehensive income and accumulated on the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

g) Revenue recognition

The Group recognises revenue from contracts with customers the following major sources:

- Sale of cement and cement products
- From transport services

Transport revenue is the surcharge to customer by the Group and Company for arranging delivery of cement and cement products to the customer.

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

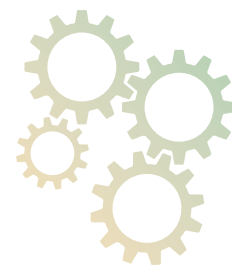
Sale of cement and cement products

The Group recognizes revenue when it satisfies a performance obligation by transferring promised goods to a customer (which is when the customer obtains control of the goods). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, for promises to transfer goods to a customer.

Transport services

The Group recognizes revenue when it satisfies a performance obligation by performing a service to a customer (which is when the customer obtains the benefits of that service). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, when the customer obtains control of the service.

Revenue is shown net of value added tax (VAT), returns, rebates and discounts and after eliminating sales within the Group.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

g) Revenue recognition(continued)

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as equity investment, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income is recognised when the Group's right to receive the rent payment is established. The Group has residential buildings and sublets some of them to its employees. Rental income is recognised as income on a straight-line basis over the lease term.

Rendering of services

The Group through its subsidiary Lafarge Ecosystems Limited operates a private park and charges entry fees to tourists. Income from rendering of services is recognized when the Group transfers control of a service to a customer.

Rebates

Rebates are given to the customers who meet condition set by the Group and the Company policy. All rebates are paid in form of credit notes and the customer collects cement of equivalent value. Rebates are calculated based on tons or percentage volume depending on the signed agreement.

h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i) Leases

Group as a lessee

Since January 1, 2021, the Group assesses at inception of a contract whether it contains a lease under IFRS 16 and accordingly recognizes a right-of use asset and a lease liability if it meets the definition of a lease, with the exception of short-term leases and leases of low value assets.

The lease liability is measured at commencement date at the present value of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, with the lessee's respective incremental borrowing rate. Future lease payments include in-substance fixed payments, variable lease payments depending on an index or rate and payments under termination and extension options when these are reflected in the lease term. The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

i) Leases (continued)

Group as a lessee (continued)

The right-of-use asset is recognized at the commencement date at cost, which includes the amount of the lease liability recognized, any lease payments made at or before the commencement date of the lease, initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the asset to the condition agreed with the lessor. Unless the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of-use assets are subject to the impairment requirements under IAS 36

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairments of assets.

In the event that the tax base of a right-of-use asset is not the same as its carrying amount for IFRS purposes on initial recognition of a lease contract, the Group recognizes the deferred tax impact arising on the temporary difference between the carrying amount of the right-of-use asset and its tax base. The same treatment as above also applies to the initial recognition of the lease liability.

Payments to acquire leasehold interests in land are treated as prepaid operating lease rentals and amortised over the period of the lease. The amortisation is recognised as an operating expense in profit or loss.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

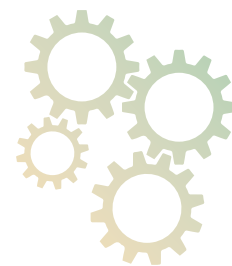
Currently, the Group has leased out residential houses and land to employees and third parties. See note 7 on rental income from residential property for more details.

j) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at their revalued amounts based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses. Plant and machinery is revalued internally on the basis of a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder. The valuations are carried out once every five years, which is considered by the directors of the Group to be sufficient regularity per IAS 16.

All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

j) Property, plant and equipment (continued)

Each year the difference between depreciation based on the revalued carrying amount of an asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the asset revaluation reserve to retained earnings.

Depreciation is calculated on the straight line basis to write down the cost of each item of property plant and equipment, or the revalued amount, to its residual value over its expected useful life as follows:

Asset class	Useful lives	Rates
Land and mineral reserves	Not depreciated	-
Buildings and Installations	20 - 35 years	5% - 3%
Heavy machines and installations	20 - 30 years	5% - 3%
Other machines	10 - 20 years	10% - 5%
Furniture, vehicles and tools	3 - 10 years	33% - 10%

Further details on useful lives and residual values of property, plant and equipment are given in Note 2, to the financial statements.

Freehold land is not depreciated as it is deemed to have an indefinite useful life and is tested for impairment on an annual basis. The useful life and depreciation rates have been assigned as ranges for disclosure purposes given that numerous significant components in each of the categories have unique useful lives that fall within that range.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Additional disclosures on impairment are in Notes 1(o) and 2, to the financial statements.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition through disposal or retirement of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.

The limestone reserve is a finite resource hence amortisation is based on quantity of limestone mined. The amortisation is a rate and this is computed as a ratio of the number of limestone units mined to the total value of limestone units available during the year. The value of limestone units during the year is a product of the ratio of limestone units mined to the total number of units available at acquisition date multiplied by the total value of units available as at that date. The amortisation rate used during the year was Kes 19.5 per tonne mined.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Intangible assets

Computer software costs are stated at cost less accumulated amortisation and any accumulated impairment losses. The costs are amortised over the expected useful lives of the software on the straight line basis. Currently, the estimated useful life is five years.

Computer software is also assessed for impairment whenever there is an indication that the intangible asset may be impaired. Additional disclosures on impairment are included in Notes 1(o) and 2, to the financial statements. The useful lives of computer software are reviewed at least at the end of each reporting period. Changes in the expected useful lives are considered to modify the amortisation period and are treated as changes in accounting estimates. The amortisation expense on computer software is recognised in profit or loss.

An intangible asset is derecognised when no future economic benefits are expected from its use. The Group's intangible assets are mainly computer software which is not expected to generate any disposal proceeds on de-recognition. The de-recognition of intangible assets would therefore result in a loss which is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

l) Inventories Property, plant and equipment (continued)

Inventories are valued at the lower of cost and net realisable value.

Inventories of consumables and spare parts are stated at the lower of cost and net realisable value. The cost of consumables and spare parts is the weighted average cost less provision for obsolete and slow moving items.

All other inventories are stated at the lower of cost and net realisable value. The cost includes direct cost and appropriate overheads and is determined on the first-in first-out method.

Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of the Group's business less the estimated costs of completion and the estimated costs necessary to make the sale.

Biofuels inventories

Biofuel comprise of eucalyptus, Casuarina, Cassi siamea and Neem plantations. These are included in inventories as there is a plan to utilise the same in future, upon maturity, as alternative fuel in the clinker production process.

The amounts of biofuels relate to direct operating costs incurred in respect to the on-going bio-fuels project. These costs include those relating to labour, seedlings, transportation and other directly attributable overheads. They are recognised at cost and net realisable value.

m) Tax

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised directly in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

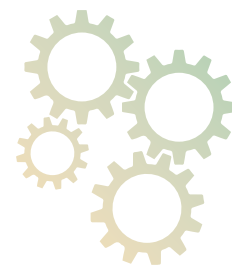
Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

m) Tax (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only when there is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to the same entity and the same taxation authority, and the Group intends to settle the tax assets and the tax liabilities on a net basis.

n) Dividends payable

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared. Proposed dividends are not accrued for until ratified in an Annual General Meeting.

o) Financial instruments

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

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.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within 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 are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

Financial assets (Continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

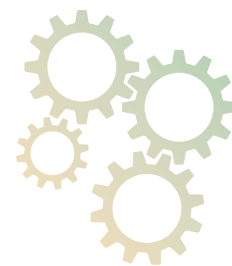
(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

(i) Amortised cost and effective interest method

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

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 FVTOCI, trade and other receivables. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

Impairment of financial assets (continued)

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(i) *Significant increase in credit risk*

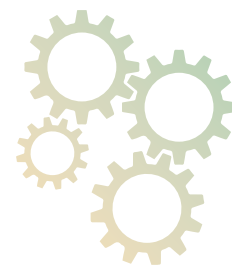
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

Impairment of financial assets (continued)

(i) *Significant increase in credit risk (continued)*

- 1) The financial instrument has a low risk of default,
- 2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) *Credit impaired financial assets*

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

1. Significant financial difficulty of the issuer or the borrower;
2. A breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. The disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

Impairment of financial assets (continued)

(iv) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. The Group and Company do not have any collateral pledged for its receivables. Any recoveries made are recognised in profit or loss.

(v) *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

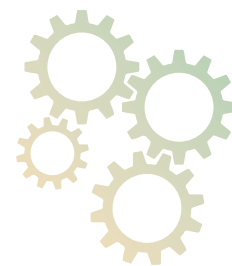
For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

o) Financial instruments (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. Financial liabilities that arise when a transfer of a financial asset does not qualify for de recognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

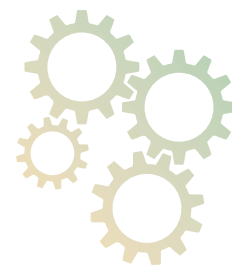
Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

q) Employee entitlements

Retirement benefits obligations - defined contribution plans

The Group operates a defined contribution pension scheme for eligible employees. The scheme is administered by an independent administration Company and is funded by contributions from the Group companies and employees. These are further discussed under Note 27.

The Group also makes contributions to the statutory defined contribution schemes in the countries where operations are based.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

q) Employee entitlements (continued)

Retirement benefits obligations - defined contribution plans (continued)

The Group's obligations to the staff retirement schemes are charged to profit or loss as they fall due.

Other entitlements

Employee entitlements to long service awards and service gratuity are recognised when they accrue to employees. A provision is made for the estimated liability for long-service awards as a result of services rendered by employees up to the reporting date. These are further discussed under Note 1 (s) – service gratuities, long service awards and leave pay.

Employee entitlements to annual leave are recognised when they expected to be paid to employees. A provision is made for the estimated liability for annual leave at the reporting date. These are further discussed under Note 1 (s) – service gratuities, long service awards and leave pay.

Bonus

An accrual is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, the obligation can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

r) Provisions

Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs. The Group rehabilitates the quarried sites on an annual basis, as and when the quarried sites are disused. Hence no cost of raising a provision before exploitation of the raw materials has commenced is included in property, plant and equipment. The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through operating costs over the life of the site, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Other provisions

A provision is recognized when a legal or constructive obligation arising from past events exists, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of this amount.

Contingent liabilities. . Contingent liabilities arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They are accordingly disclosed in the notes to the financial statements.

Contingencies, guarantees, commitments and contingent assets

The Group is exposed to varying degrees of uncertainty related to tax matters and regulatory reviews and audits. The Group accounts for its income taxes on the basis of its own internal analyses, supported by external advice, if appropriate. The Group continually monitors its tax position, and whenever uncertainties arise, the Group assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the Group's position and the resulting risk of loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. SUMMARY OF ACCOUNTING POLICY INFORMATION (continued)

s) Service gratuities, long service award, leave pay and termination benefits

The Group provides service gratuity to unionisable staff that retire on attaining the age of 55 years or are declared redundant. These are provided to eligible employees based on each employee's length of service with the Group, as provided for in the collective bargaining agreement. The Group also provides for long service award to staff based on the length of service.

The cost of providing service gratuity and long service awards which are considered as defined benefit plan is determined by a professional actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit in profit or loss as:

- Service costs comprising current service costs are recognised in profit or loss under cost of sales; and
- Net interest expense or income is recognised in profit or loss under cost of sales.

Employee entitlements to annual leave are recognised when they expected to be paid to employees. A provision is made for the estimated liability for annual leave at the reporting date. Service gratuity, long service awards and leave pay provisions are disclosed in Note 27, to the financial statements.

The Group recognises a liability and expense for termination benefits at the earlier of the following dates:

- (a) when the Group can no longer withdraw the offer of those benefits; and
- (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

t) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of presentation of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

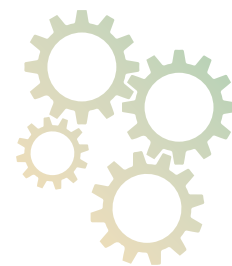
u) Segment reporting

Performance of business Segments is reported in line with Group management reporting guidelines and is reviewed by the Executive Committee. The executive Committee makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments (see note 3).

v) Fair value measurement

The Group measures financial instruments such as equity investment at fair value at each reporting date. The Group also measures certain items of property, plant and equipment at fair value. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 39(b), to the financial statements.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management Note 37
- Capital risk management Note 38
- Fair value of assets and liabilities Note 39

Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgments that have the most significant effect on the amounts recognised in financial statements.

Supplier finance arrangement

The Group has established a supplier finance arrangement under which its suppliers at their discretion may elect to receive early payment of their invoices from a bank. Under the arrangement, the participating suppliers will receive early payment on invoices sent to the Group from the bank and the group repays the bank at a later date usually on maturity of the invoice. If suppliers choose to receive early payment, they pay a fee to the bank, to which the Group is not party. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has elected to include payable amounts subject to this arrangement within the trade payables because the nature and function of these payables remain the same as those of other trade payables. From a group's perspective, the arrangement does not significantly extend payment terms for participating suppliers beyond those agreed with non-participating suppliers. Additionally, the group does not incur any bank interest on the amounts owing to the suppliers.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Tax provisions

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group 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 provisions in the period in which such determination is made.

The Group recognises the net future tax benefit that relates to deferred income 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 income tax assets requires the Group 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. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Further details on income taxes are disclosed in Notes 12, 26 and 30 (d), to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Key sources of estimation uncertainty (continued)

Useful lives and residual values of property, plant and equipment

The Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. In reviewing the useful lives of property, plant and equipment, the Group considers the remaining period over which an asset is expected to be available for use by the Group. Management also looks at the number of production or similar units expected to be obtained from the property, plant and equipment. Judgment and assumptions are required in estimating the remaining useful period and estimates of the number of production or similar units expected to be obtained from the property, plant and equipment.

During the financial year, no changes to the useful lives were identified by the Directors. Further details on property, plant and equipment are given in Note 15, to the financial statements.

Impairment losses for non-financial assets

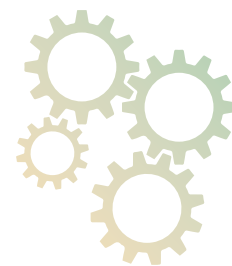
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

In assessing whether there is any indication that the tangible and intangible assets may be impaired, the Group considers the following indications:

- a) there are observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
- b) significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- c) market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- d) the carrying amount of the net assets of the entity is more than its market capitalisation.
- e) evidence is available of obsolescence or physical damage of an asset.
- f) significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- g) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Further details on property, plant and equipment are given in Note 15, to the financial statements and intangible assets in Note 16, to the financial statements.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. Dividends received are the cash flows from the CGU. The Company estimates the dividend expected yearly from each CGU and discounts these using estimated discount rates. In assessing whether there is any indication that the Goodwill is impaired, the Group considers that any observable indications that the CGU's dividends have declined significantly during the period more than would be expected in normal operations of the CGU.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Key sources of estimation uncertainty (continued)

Inventories provisioning and inventories count

Management makes provisions for spares that exceed the set maximum level based on the usage of the inventory by comparing items in stock with the recent past consumption. The maximum level is determined by taking into consideration the lead time, the specified order quantity, the source of the spares and the projected usage rate. The inventories counts for raw materials – bulk materials including clinker, gypsum, bauxite, pozzolana and bulk cement, are carried out through a survey by an independent surveyor. This surveying process requires judgement and estimation.

Further details on inventories are given in Note 20, to the financial statements.

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 FVTOCI, lease receivables, 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.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39, to the financial statements, for further discussion.

Site restoration

The Group makes full provision for the future cost of rehabilitating its quarry sites and related production facilities on a discounted basis at the time of developing the quarries and installing and using those facilities. On an annual basis, management, with the assistance of technical staff, makes estimations on the adequacy of the site restoration provisions. The provisions are made based on the additional open space, net of rehabilitated areas, arising from quarrying operations that took place in the year. The estimated cost per hectare is then applied to determine this adequacy. The cost per hectare is periodically assessed to factor in inflation.

Site restoration provisions are disclosed in Note 26, to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Key sources of estimation uncertainty (continued)

Post-employment benefits

The cost and the present value of the obligation of the service gratuity, long service awards and other post-employment benefits are determined using actuarial valuations by an independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers the interest rates of the government bond market. The actuary also considers the mean terms of the yield of the bond and the liabilities. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about service gratuity, long service awards and other post-employment benefits are given in Note 27, to the financial statements.

Contingent liabilities

As disclosed in Note 29 to the financial statements, the Group is exposed to various contingent liabilities in the normal course of business including a number of legal cases. The Directors evaluate the status of these exposures on a regular basis to assess the probability of the Group incurring related liabilities. However, provisions are only made in the financial statements where, based on the Directors' evaluation, a present obligation has been established. Judgement and assumptions are required in:

- assessing the existence of a present obligation (legal or constructive) as a result of a past event;
- assessing the probability that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Estimating the amount of the obligation to be paid out.

Lease liability

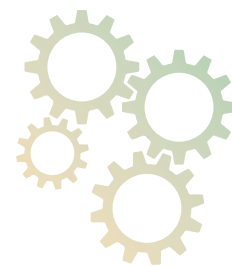
In order to make a judgement to determine the term of the lease and the corresponding lease liability, the directors consider any options regarding extension or termination of the lease contract which may be available and whether it is probable that such options will be exercised.

Unless there is an implicit interest rate contained in the lease contract, the discount rate used to calculate the net present value of the lease liability is the group's incremental borrowing rate. This rate is estimated by the directors to be the rate which would be paid by the group to purchase a similar asset.

3. SEGMENT INFORMATION

In accordance with IFRS 8, Operating Segments, the information presented hereafter by operating segment is the same as that reported to the Chief Operating Decision Maker (the Group Chief Executive Officer) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The Group analyses its organisational structure and internal reporting system for the purpose of identifying suitable segment reporting format for the Group. All Group operations are now based in Kenya segment.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. REVENUE

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Cement (Note 6)	21,691	19,653	22,397	20,180
Concrete products	434	453	-	-
Ready mix	1,576	1,043	-	-
Other*	100	78	-	-
Transport services	<u>1,095</u>	<u>687</u>	<u>1,007</u>	<u>615</u>
Net sales	<u>24,896</u>	<u>21,914</u>	<u>23,404</u>	<u>20,795</u>

*The other revenue includes mainly service delivery income from tourism activities earned by Bamburi Eco Systems Limited, a subsidiary of Bamburi Cement Plc.

5. COST OF SALES

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Distribution costs				
Cost of transport services	1,684	1,214	1,494	1,131
Packaging materials	602	583	602	573
Staff costs (Note 11(b))	282	244	252	225
Diesel	39	67	1	1
Depreciation of property plant and equipment (Note 11 (c))	87	145	82	141
Other distribution expenses	<u>796</u>	<u>846</u>	<u>768</u>	<u>788</u>
Total distribution cost	3,490	3,099	3,199	2,859
Production cost of goods sold				
Elimination of cost of sales-intra-group	(748)	(569)	-	-
Cost of finished goods purchased	528	44	525	44
Third party raw materials costs	4,001	3,159	2,686	2,171
Production materials	397	319	356	294
Energy	2,634	2,729	2,634	2,729
Electricity	2,476	2,688	2,459	2,671
Staff costs (Note 11(b))	1,012	988	925	896
Other production expenses	2,508	2,675	2,402	2,608
Maintenance expenses	1,063	780	968	706
Changes in inventory	83	164	72	162
Depreciation of property plant and equipment (Note 11 (c))	1,201	1,379	1,178	1,356
Amortisation (Note 11 (c))	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>
Total production cost of goods sold	15,158	14,358	14,208	13,639
Cost of sales	<u>18,648</u>	<u>17,457</u>	<u>17,407</u>	<u>16,498</u>
Cost of goods sold	16,964	16,243	15,913	15,367
Transport service costs	<u>1,684</u>	<u>1,214</u>	<u>1,494</u>	<u>1,131</u>
Cost of sales	<u>18,648</u>	<u>17,457</u>	<u>17,407</u>	<u>16,498</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REBATES

The Group and the Company offer rebates to the customers who meet the terms and conditions based on the existing rebates policies. The cement revenues are presented net of rebates. During the year the rebates offered by the Group and the Company were as follows:

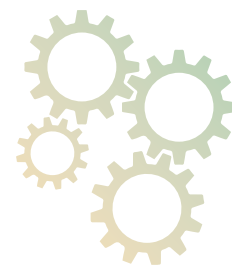
	GROUP		COMPANY	
	2025	2024	2025	2024
	Kes'million	Kes'million	Kes'million	Kes'million
Gross revenue	22,280	20,311	22,986	20,838
Rebates (Note 28)	<u>(589)</u>	<u>(658)</u>	<u>(589)</u>	<u>(658)</u>
Net sales (Note 4)	<u>21,691</u>	<u>19,653</u>	<u>22,397</u>	<u>20,180</u>

7. OTHER INCOME AND FINANCE INCOME/COSTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kes'million	Kes'million	Kes'million	Kes'million
i) Other income				
Rental and sub- lease income	8	17	8	17
Scrap sales	24	62	24	62
Murram sales	88	154	88	154
Dividends received from equity investment	11	-	11	-
Dividends received from subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,635</u>
Total other income	<u>131</u>	<u>233</u>	<u>131</u>	<u>6,868</u>
ii) Finance income				
Interest income – third parties	76	252	43	29
Interest income - related parties (Note 32(a))	<u>130</u>	<u>58</u>	<u>170</u>	<u>106</u>
Total finance income	<u>206</u>	<u>310</u>	<u>213</u>	<u>135</u>
iii) Finance costs				
Interest cost on employee benefit liabilities (Note 27)	<u>36</u>	<u>39</u>	<u>34</u>	<u>37</u>
Total finance costs	<u>36</u>	<u>39</u>	<u>34</u>	<u>37</u>

8. OTHER GAINS AND LOSSES

(Loss)/gain on disposal of assets	(1)	(3)	(5)	(3)
Gain/(loss) on disposal of subsidiary	173	-	(912)	
Foreign exchange losses	(119)	(1,727)	(119)	(401)
Foreign exchange gains	28	79	28	79
Net foreign exchange losses	<u>(91)</u>	<u>(1,648)</u>	<u>(91)</u>	<u>(322)</u>
Total other gains and losses	<u>81</u>	<u>(1,652)</u>	<u>(1,008)</u>	<u>(326)</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. OPERATING EXPENSES

(i) Marketing and sales expenses

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Staff costs (note 11(b))	248	221	228	202
Third party services	105	126	95	119
Other marketing and sales expenses	5	53	5	49
Depreciation	<u>11</u>	<u>11</u>	<u>8</u>	<u>9</u>
Total marketing and sales expenses	<u>369</u>	<u>411</u>	<u>336</u>	<u>379</u>

(ii) Administration expenses

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Staff costs (note 11(b))	722	715	686	688
Third party services	401	164	386	155
Other administration expenses	300	311	284	311
Bank charges	15	11	11	8
Depreciation of property, plant and equipment	27	26	27	25
Amortisation of intangible assets	3	-	3	-
Other operating expenses (note 10)	<u>646</u>	<u>714</u>	<u>646</u>	<u>714</u>
Total administration expenses	<u>2,114</u>	<u>1,941</u>	<u>2,043</u>	<u>1,901</u>

(iii) Impairment of assets

Property, plant and equipment (Note 15(a))	-	15	-	15
Intangible assets (Note 16)	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>1</u>	<u>15</u>	<u>1</u>	<u>15</u>

10. OTHER OPERATING EXPENSES

Technical fees (Note 32 (a))	<u>646</u>	<u>714</u>	<u>646</u>	<u>714</u>
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11. (a) PROFIT BEFORE TAX

Profit before tax is arrived at after charging

Staff costs (note 11(b))	<u>2,264</u>	2,168	<u>2,091</u>	2,011
Depreciation on property, plant and equipment (note 11(c))	1,326	1,561	1,295	1,531
Amortisation of intangible assets (note 16)	6	2	6	2
Directors' fees (note 32)	24	20	24	20
Auditors' remuneration	13	14	9	10
And after crediting:				
Interest income (note 7)	206	310	213	135
(Loss) on disposal of plant and equipment (note 8)	(1)	(3)	(5)	(3)
Net foreign exchange gains/(losses) (note 8)	(91)	(1,648)	(91)	(322)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

11 (b) STAFF COSTS

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Salaries and wages	1,151	1,102	1,076	1,030
Retirement benefits costs	131	133	123	122
Staff welfare costs	<u>982</u>	<u>933</u>	<u>892</u>	<u>859</u>
	2,264	2,168	2,091	2,011

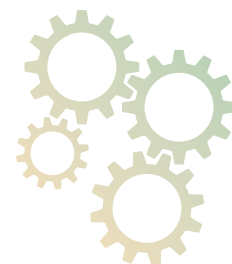
Presented as:

Cost of sales (note 5)	1,294	1,232	1,177	1,121
-Distribution costs	282	244	252	225
-Production cost of goods sold	1,012	988	925	896
Administration expenses (note 9ii)	722	715	686	688
Marketing and sales expenses (Note 9(i))	<u>248</u>	<u>221</u>	<u>228</u>	<u>202</u>
	2,264	2,168	2,091	2,011

(c) DEPRECIATION AND AMORTIZATION

Depreciation on property, plant and equipment, amortisation of intangible assets and depreciation of right-of-use assets is presented as follows:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Depreciation of property, plant and equipment				
Cost of production				
- Distribution costs	87	145	82	141
- Production cost of goods sold	1,201	1,379	1,178	1,356
Total cost of production (Note 5)	1,288	1,524	1,260	1,497
Marketing and sales expenses (Note 9(i))	11	11	8	9
Administration expenses (Note 9(ii))	<u>27</u>	<u>26</u>	<u>27</u>	<u>25</u>
	1,326	1,561	1,295	1,531
Amortization of intangible assets				
Cost of production (Note 5)	3	2	3	2
Administration expenses (Note 9(ii))	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	6	2	6	2



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 TAX

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
(a) Amounts recognized in profit or loss				
Current tax charge/(credit)				
- Current tax based on the adjusted profit at 30%	883	1,065	872	1,047
- Adjustments in respect of current income tax of previous year	103	87	88	87
	986	1,152	960	1,134
Deferred tax credit charge at 30% (Note 26):				
- current year **	90	(258)	52	(318)
- Adjustments in respect of deferred tax of previous year	(27)	3	8	2
	63	(255)	60	(316)
Tax charge on continuing operations	1,049	897	1,020	818
(b) Amounts recognized in other comprehensive income				
Items that will not be reclassified to profit or loss				
- Actuarial gains/(losses) (Note 28)	9	1	6	1
- Adjustments in respect of deferred tax of previous year	-	-	-	-
	<u>9</u>	<u>1</u>	<u>6</u>	<u>1</u>
(c) Reconciliation of expected tax based on accounting profit to tax charge:				
Profit before tax on continuing operations	4,132	971	2,909	8,673
Tax calculated at the domestic rates applicable*	1,240	291	873	2,602
Tax effect of expenses not deductible for tax purposes	57	571	54	118
Adjustments in respect of deferred tax of previous year	10	3	8	2
Recognition of previously derecognized tax losses	-	(4)	-	-
Adjustments in respect of current income tax of previous year	103	87	88	87
Recognition of previously derecognized deferred tax	(11)	-	-	-
Tax effect on income not subject to tax	(350)	(51)	(3)	(1,991)
Tax (credit)/charge	1,049	897	1,020	818

* The tax rate in Kenya for the year ended 31 December 2025 was 30 % (2024: 30%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

12. TAX (CONTINUED)

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
(d) Corporate tax (recoverable)/ payable				
At the beginning of the year	86	(112)	183	-
Tax charge				
- Current tax				
- Continuing operations	883	1,065	872	1,047
- Adjustments in respect of current income tax of previous year	103	87	88	87
Tax paid	(1,369)	(939)	(1,367)	(939)
Withholding tax paid	(9)	(15)	(9)	(12)
Disposal group held for sale	-	-	-	-
At end of the year	<u>(306)</u>	<u>(86)</u>	<u>(233)</u>	<u>183</u>
Comprising: *				
Tax payable	-	(183)	-	183
Tax recoverable	(306)	97	(233)	-

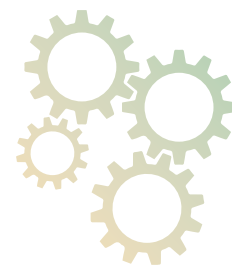
The Company will apply for a refund of the tax overpayment.

13. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders by the weighted average number of ordinary shares in issue during the year, as shown below.

There were no potentially dilutive shares as at 31 December 2025 and as at 31 December 2024.

	GROUP	
	2025	2024
Profit/(Loss) for the year from continuing operations (Kes million)	3,083	(1,260)
Profit after tax from discontinued operations attributable to owners of the parent Company (Kes million) (70%)	-	248
Profit/(Loss) for the year attributable to owners of the parent Company (Kes million)	<u>3,083</u>	<u>(1,012)</u>
Weighted average number of ordinary shares (million)	<u>363</u>	<u>363</u>
Earnings per share; basic and diluted attributable to owners of the company;		
From continuing operations (Kes)	<u>8.49</u>	<u>(3.47)</u>
From discontinued operations (Kes)	-	<u>0.68</u>
Total basic and diluted earnings per share (Kes)	<u>8.49</u>	<u>(2.79)</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

14. DIVIDENDS

	GROUP AND COMPANY	
	2025 Kes'million	2024 Kes'million
(a) Dividends payable		
At beginning of year	-	-
Declared and approved during the year - [Note 14 (b)]	-	8,610
Dividends claimed/paid in the year	<u>-</u>	<u>(8,610)</u>
At end of year	<u>-</u>	<u>-</u>
(b) Dividends declared/approved during the year 2025 and 2024:		
Final dividends for previous year	-	1,985
Special dividends paid	<u>-</u>	<u>6,625</u>
	<u>-</u>	<u>8,610</u>

The directors do not recommend payment of a dividend in respect of the year ended 31st December 2025 (2024: Nil). In 2024 following the conclusion of the sale of the subsidiary Hima Cement Limited, the directors approved payment of a special dividend of Kes 18.25 per share amounting to Kes 6,625 million

Withholding tax payment of dividends is subject to withholding tax at a rate of 10% for non-resident shareholders of the Company and 5% for resident shareholders. For resident owners of the Company, withholding tax is only deductible where the shareholding is below 12.5%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT

a) GROUP

Year ended 31 December 2025

	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital work-in-progress* Kes'million	Total Kes'million
Cost or valuation					
At 1 January 2025	10,511	15,406	2,015	1,391	29,323
Transfers from capital work-in-progress**	461	1,126	266	(1,853)	-
Additions	-	-	-	781	781
Impairments	-	-	-	-	-
Disposals	(15)	-	(17)	-	(32)
At 31 December 2025	<u>10,957</u>	<u>16,532</u>	<u>2,264</u>	<u>319</u>	<u>30,072</u>
Depreciation					
At 1 January 2025	1,516	2,986	1,782	-	6,284
Elimination of depreciation on disposal	-	-	(12)	-	(12)
Charge for the year	<u>110</u>	<u>1,160</u>	<u>56</u>	<u>-</u>	<u>1,326</u>
At 31 December 2025	<u>1,626</u>	<u>4,146</u>	<u>1,826</u>	<u>-</u>	<u>7,598</u>
NET CARRYING AMOUNT	<u>9,331</u>	<u>12,386</u>	<u>438</u>	<u>319</u>	<u>22,474</u>

* Capital work-in-progress represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use

** During the year, management carried out a review of the Group's office equipment and tools to determine assets that were no longer in use for derecognition purposes. This review resulted in the write off of assets whose carrying value was Nil (2023: Kes 15 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT

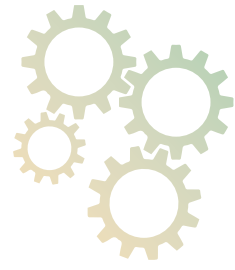
a) GROUP

Year ended 31 December 2024

Cost or valuation	Land and residential buildings Kes' million	Plant and machinery Kes' million	Office equipment and tools Kes' million	Capital work-in-progress* Kes' million	Total Kes' million
At 1 January 2024	10,489	14,847	2,008	918	28,262
Transfers from capital work-in-progress*	40	565	30	(635)	-
Additions	-	-	-	1,108	1,108
Write off**	-	(6)	(23)	(0)	(29)
Disposals	(18)	-	-	-	(18)
At 31 December 2024	<u>10,511</u>	<u>15,406</u>	<u>2,015</u>	<u>1,391</u>	<u>29,323</u>
Depreciation					
At 1 January 2024	1,409	1,603	1,725	-	4,737
Charge for the year	107	1,389	65	-	1,561
Write off**	-	(6)	(8)	-	(14)
At 31 December 2024	<u>1,516</u>	<u>2,986</u>	<u>1,782</u>	<u>-</u>	<u>6,284</u>
NET CARRYING AMOUNT	<u>8,995</u>	<u>12,420</u>	<u>233</u>	<u>1,391</u>	<u>23,039</u>

* Capital work-in-progress represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use.

** During the year, management carried out a review of the Group's plant and machinery, office equipment and tools to determine assets that were no longer in use for derecognition purposes. This review resulted in the write off of assets whose carrying value was Kes 15 million (2023: Kes 27 million).



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

b) COMPANY

Year ended 31 December 2025

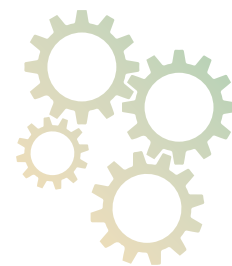
	Land and residential buildings Kes'million	Plant and machinery Kes'million	Office equipment and tools Kes'million	Capital- work-in- progress Kes'million	Total Kes'million
Cost or valuation					
As at 1 January 2025	10,106	14,960	1,732	1,311	28,109
Disposal	(15)	-	-	-	(15)
Transfers from CWIP*	422	1,079	226	(1,727)	-
Additions	-	-	-	733	733
Write off**	-	-	-	-	-
At 31 December 2025	<u>10,513</u>	<u>16,039</u>	<u>1,958</u>	<u>317</u>	<u>28,827</u>
Depreciation					
As at 1 January 2025	1,449	2,724	1,544	-	5,717
Charge for the year	<u>104</u>	<u>1,144</u>	<u>46</u>	-	<u>1,294</u>
At 31 December 2025	<u>1,553</u>	<u>3,868</u>	<u>1,590</u>	-	<u>7,011</u>
Net carrying amount					
At 31 December 2025	<u>8,960</u>	<u>12,171</u>	<u>368</u>	<u>317</u>	<u>21,816</u>

Year ended 31 December 2024

Cost or valuation					
As at 1 January 2024	10,096	14,401	1,728	873	27,098
Disposal	(18)	-	-	-	(18)
Transfers from CWIP*	28	565	27	(620)	-
Additions	-	-	-	1,058	1,058
Write off**	-	(6)	(23)	-	(29)
At 31 December 2024	<u>10,106</u>	<u>14,960</u>	<u>1,732</u>	<u>1,311</u>	<u>28,109</u>
Depreciation					
As at 1 January 2024	1,347	1,350	1,502	-	4,199
Write off**	-	(6)	(8)	-	(14)
Charge for the year	<u>102</u>	<u>1,374</u>	<u>56</u>	-	<u>1,532</u>
At 31 December 2024	<u>1,449</u>	<u>2,718</u>	<u>1,550</u>	-	<u>5,717</u>
Net carrying amount					
At 31 December 2024	<u>8,657</u>	<u>12,246</u>	<u>182</u>	<u>1,311</u>	<u>22,392</u>

* Capital work-in-progress (CWIP) represents costs incurred on ongoing work in respect of additions and replacements to various plants at year-end. Capital work-in-progress is not depreciated until the plants are completed and brought into use.

** During the year, management carried out a review of the Company's property, plant and equipment. This review resulted in nil write off of assets (2024 -Carrying value Kes 15 million).



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

c) OTHER DISCLOSURES

If the re-valued property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	GROUP		COMPANY	
	2025 Kes' Millions	2024 Kes' Millions	2025 Kes' Millions	2024 Kes' Millions
COST				
Land	643	643	638	638
Buildings and installations	3,301	2,855	3,014	2,607
Plant and machinery	17,305	16,179	16,837	15,758
TOTAL	21,249	19,677	20,489	19,002
ACCUMULATED DEPRECIATION				
Land	(1)	(1)	(1)	(1)
Buildings and installations	(1,220)	(1,121)	(1,092)	(999)
Plant and machinery	(10,223)	(9,684)	(9,980)	(9,456)
TOTAL	(11,444)	(10,806)	(11,073)	(10,456)
Net carrying amount	9,805	8,871	9,416	8,547

The Group's and the Company's land, buildings, plant, and machinery are revalued at a 5year interval. Land and residential buildings are revalued on the basis of open market value by independent valuers while plant and machinery are re-valued on a depreciated replacement cost basis using a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder.

The previous revaluation for the Company's land, buildings, plant and machinery was done in **2022**.

d) IMPACT OF THE ENACTMENT OF THE LAND REGISTRATION ACT NO. 3 2012 ON THE COMPANY'S LAND HOLDING STATUS

The current Kenyan Constitution, enacted on 27 August 2010, introduced significant changes in the rules for landholding by non-citizens. The Constitution no longer allows foreigners and foreign bodies to own freehold land and leasehold land in excess of 99 years. Freehold land and leasehold land of more than 99 years tenure owned by foreigners and foreign bodies automatically becomes 99 year leases upon enactment of the required legislation under Articles 65(4) of the constitution. These changes in the landholding rules took effect on 2 May 2012 upon the enactment of the Land Registration Act No. 3 of 2012.

As per the definition of Articles 65(3) of the constitution, the Company is a non-citizen and hence the status of its freehold land changes to 99 years lease.

The Company is waiting for the National Land Commission to issue guidelines that will operationalise the provisions of the constitution and the revised land laws. The Company will continue to reassess the impact of the revised land laws to the financial statements as the guidelines are issued.

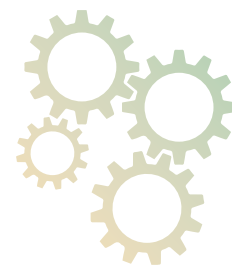
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INTANGIBLE ASSETS – COMPUTER SOFTWARE

Cost	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
At 1 January	610	610	610	610
Transfer from CIP	51	-	27	-
Impairment	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
At 31 December	<u>660</u>	<u>610</u>	<u>636</u>	<u>610</u>
Amortisation				
At 1 January	600	598	600	<u>598</u>
Charge for the year	<u>6</u>	<u>2</u>	<u>6</u>	<u>2</u>
At 31 December	<u>606</u>	<u>600</u>	<u>606</u>	<u>600</u>
Net carrying amount	<u>54</u>	<u>10</u>	<u>31</u>	<u>10</u>

* Capital work-in-progress (CWIP) represents costs incurred on ongoing work in respect of additions and replacements to various intangibles at year-end. Capital work-in-progress is not depreciated until the assets are completed and brought into use.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. INVESTMENTS IN SUBSIDIARIES

a) Information about subsidiaries

The financial statements of the Company include investments in subsidiaries as below.

These investments are unquoted and held at cost less accumulated impairment loss.

	Principal place of business	Holding %	COMPANY	
			2025 Kes' million	2024 Kes' million
Bamburi Special Products Limited	Kenya	100	20	20
Himcem Holdings Limited	Islands	100	-	911
Bamburi Eco Systems Limited	Kenya	100	130	130
Less: Provision for impairment loss in value of investment in Bamburi Eco Systems Limited	Kenya		(91)	(91)
Diani Estate Limited	Kenya	100	339	839
Binastore Limited	Kenya	100	100	100
Less: Provision for impairment loss in value of investment in Binastore Limited	Kenya		(100)	(100)
Kenya Cement Marketing Limited*	Kenya	50	-	-
Portland Mines Limited*	Kenya	50	-	-
			<u>398</u>	<u>1,809</u>

* The amount of investments for Kenya Cement Marketing Limited, Bamburi Cement Plc - Uganda and Portland Mines Limited is below Kes 1,000,000.

During the year, the company's investment in subsidiaries decreased by Kes, 1,411million. This was primarily driven by:

Disposal of Himcem Holdings Limited: The Company disposed of its 100% shareholding in Himcem Holdings Limited for a nominal consideration of Kes 387. The carrying value of Kes 910,872,951 million was derecognized, resulting in a realized loss on disposal of Kes 910,872,564, which has been recorded in the Statement of Profit or Loss.

Capital Reduction – Diani Estate Limited: The Company executed a capital reduction in its subsidiary, Diani Estate Limited, resulting in a cash return of capital of Kes 500 million. This transaction does not impact the Statement of Profit or Loss; it is recorded as a reduction in the cost of investment in the Statement of Financial Position.

Movement in the diminution of investments	2025 Kes' million	2024 Kes' million
At beginning of year	1,809	1,809
Disposal of Himcem Holdings Limited	(911)	-
Capital reduction – Diani Estate Limited	(500)	-
At end of year	<u>398</u>	<u>1,809</u>

In the year 2019, management reviewed the cost of investment versus the net assets of Bamburi Eco Systems Limited and Binastore Limited and this led to write down of the cost of investment to the subsidiary's net asset value.

Both entities are not separate cash generating units from the parent company, Bamburi Eco Systems Limited was set up to undertake quarry rehabilitation on behalf of the parent while Binastore Limited's principal activity is to promote the distribution of parent company's products. The parent company finances the operations of the two entities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

b) Discontinued operations

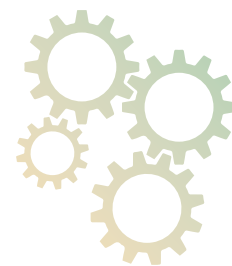
On 14 December 2023, the shareholders of the Company approved the sale of Hima Cement Limited a subsidiary of Himcem limited. The sale was completed on 1st March 2024, and is reported in the 2024 financial statements as a discontinued operation. Financial information relating to the discontinued operations for the period to the date of disposal is set out below

(i) Results of discontinued operations

	2025 Kes' million	2024 Kes' million
Revenue	-	4,151
Expenses	<u>-</u>	<u>(3,796)</u>
Loss before tax	-	355
Tax charge	<u>-</u>	<u>-</u>
Profit/(Loss) after tax from discontinued operations	<u>-</u>	<u>355</u>
<i>Other comprehensive income</i>		
Exchange differences on translation of discontinued operations	<u>-</u>	<u>(1,457)</u>
Net other comprehensive income from discontinued operations	<u>-</u>	<u>(1,457)</u>
Total comprehensive income from discontinued operations	<u>-</u>	<u>(1,102)</u>
Earnings per share:		
Basic and diluted from discontinued operations	<u>-</u>	<u>0.68</u>

(ii) Cash flows from (used in) discontinued operations

Net cash inflow from operating activities	-	(941)
Net cash (outflow) from investment activities	-	128
Net cash (outflow) from financing activities	<u>-</u>	<u>(88)</u>
Net increase in cash generated from discontinued operations	<u>-</u>	<u>(901)</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

b) Discontinued operations (Continued)

(iii) Details of the sale of the subsidiary

	2025 Kes' million	2024 Kes' million
Net consideration received	-	10,216
Carrying amount of net assets sold	-	<u>(9,589)</u>
Gain on sale before income tax	-	627
Reclassification of foreign currency translation reserve	-	635
Capital gain tax	<u>-</u>	<u>(2,596)</u>
Loss on sale after income tax	<u>-</u>	<u>(1,334)</u>

The carrying amounts of assets and liabilities of Hima Cement Limited as at the date of the sale (28th February 2024) were:

	2025 Kes' million	2024 Kes' million
Property, plant and equipment	-	16,519
Prepaid operating lease rentals	-	120
Right-of-use assets	-	985
Intangible assets	-	6
Limestone reserves	-	959
Inventories	-	3,205
Trade and other receivables	-	1,941
Cash and cash equivalents	-	1,188
Goodwill	<u>-</u>	<u>217</u>
Asset held for sale	<u>-</u>	<u>25,140</u>
Deferred tax liability	-	3,531
Provisions	-	249
Long term borrowings	-	2,941
Lease liabilities	-	1,019
Trade and other payables	<u>-</u>	<u>3,702</u>
Liabilities directly associated with asset held for sale	<u>-</u>	<u>11,442</u>
Net assets directly associated with disposal group	<u>-</u>	<u>13,698</u>
70% attributable to the shareholders (Note 17(b)(ii))	<u>-</u>	<u>9,589</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. EQUITY INVESTMENTS – FVTOCI

These represent investments in Equity instruments designated as at FVTOCI which are carried at fair value.

a) Movement in the equity investments

	GROUP AND COMPANY	
	2025 Kes' million	2024 Kes' million
The East African Portland Cement Plc		
At 1 January	345	90
Fair value gain (Note 18(b))	447	255
At 31 December	792	345
Total equity investment as at 31 December (Note 39)	792	345

b) Analysis of the equity investments

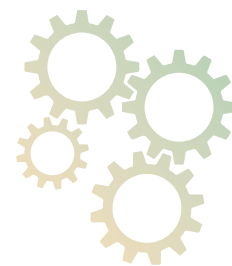
Quoted investments	Number of shares			At 1.1.2025 Kes' million	Valuation		
	At 1.1.2025 units	Additions/ (disposals) units	At 31.12.2025 units		Additions/ (disposals) Kes' Million	Increase/ (decrease) in market value Kes' million	At 31.12.2025 Kes' million
The East African Portland Cement Plc	11,265,068	-	11,265,068	345	-	447	792

Quoted investments	Number of shares			At 1.1.2024 Kes' million	Valuation		
	At 1.1.2024 units	Additions/ (disposals) units	At 31.12.2024 units		Additions/ (disposals) Kes' Million	Increase/ (decrease) in market value Kes' million	At 31.12.2024 Kes' million
The East African Portland Cement Plc	11,265,068	-	11,265,068	90	-	255	345

19. INVENTORIES

	GROUP		COMPANY	
	2025 Kes' million	2024 Kes' million	2025 Kes' million	2024 Kes' million
Raw materials	488	216	450	197
Semi-finished and finished products	663	650	621	592
Fuels*	411	320	411	320
Parts and supplies	1,713	1,743	1,618	1,660
Provision for obsolete inventory (parts and supplies)	(535)	(535)	(517)	(517)
Parts and supplies net of provision	1,178	1,208	1,101	1,143
	2,740	2,394	2,583	2,252

* Biofuels disclosed under note 33 forms part of the Fuels disclosed above. For the purposes of statement of cashflows, impairment on biofuels (Note 33) is added back and therefore not included in the working capital movements.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

20. MOVEMENT IN PROVISION OF OBSOLETE INVENTORY

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
At beginning of year	535	450	517	430
Additions	-	87	-	87
Utilization	-	(2)	-	-
Disposal groups' asset held for sale	-	-	-	-
At end of year	<u>535</u>	<u>535</u>	<u>517</u>	<u>517</u>

During the year, Kes 4,644 million (2024: Kes 3,697 million) and Kes 4,274 million (2024: Kes 3,244 million), for the Group and the Company, respectively, was recognised as an expense for consumables under inventories. This is recognised in the cost of sales.

21. TRADE AND OTHER RECEIVABLES

(a) Analysis of trade and other receivables:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Trade receivables	1,271	977	1,115	925
Other receivables*	516	921	497	544
Impairment losses on financial assets	<u>(165)</u>	<u>(152)</u>	<u>(137)</u>	<u>(127)</u>
Net trade and other receivables	<u>1,622</u>	<u>1,746</u>	<u>1,475</u>	<u>1,342</u>
Prepayments	229	126	224	118
Receivables from related companies [Note 32 (b)]	-	-	696	785
	<u>1,851</u>	<u>1,872</u>	<u>2,395</u>	<u>2,245</u>

*The other receivables include advances to staff, insurance recoverable and accrued interest.

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
(b) Movement in impairment losses on financial asset				
At beginning of year	152	456	127	282
Bad debts written off	-	(275)	-	(124)
Charged to profit/loss:				
Recoveries/(reversals)	-	(53)	-	(53)
Increase in impairment losses	<u>13</u>	<u>24</u>	<u>10</u>	<u>22</u>
Total charged to profit/loss	<u>13</u>	<u>(29)</u>	<u>10</u>	<u>(31)</u>
Disposal group's asset held for sale	-	-	-	-
At end of year	<u>165</u>	<u>152</u>	<u>137</u>	<u>127</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

The average credit period on sales of finished goods is 30 days. The bulk of the trade receivables are covered by bank guarantees in favour of the Group and the Company. Before accepting any new customer, the Group and the Company uses a credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed quarterly.

In determining the recoverability of a trade receivable, the Group and the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Other receivables and receivables from related companies are all performing and no impairment losses have been recognised for them. Additional disclosures for credit risk management are in Note 35 (ii).

22. CASH AND CASH EQUIVALENTS

(a) Analysis of cash and cash equivalents:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Cash at bank and on hand	999	4,667	730	2,792
Short term deposits (Note 22(d))	<u>6,825</u>	<u>582</u>	<u>6,825</u>	<u>1,610</u>
N number y n	<u>7,824</u>	<u>5,249</u>	<u>7,555</u>	<u>4,402</u>

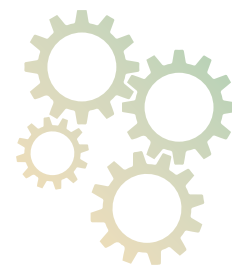
(b) Reconciliation to statements of cash flows

For the purposes of the statements of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Analysis of cash and cash equivalents is as set out below:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Bank and cash balances: - note 22(a)	7,824	5,249	7,555	4,402
Balances per statement of cash flows*	<u>7,824</u>	<u>5,249</u>	<u>7,555</u>	4,402

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
(d) Short term deposits				
Short term financial deposit	6,825	1,610	6,825	1,610
Call deposits at amortized cost	-	<u>526</u>	-	-

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. CASH AND CASH EQUIVALENTS (CONTINUED)

(d) Short term deposits (Continued)

The weighted average interest rates earned on the cash deposited with local banks during the year were as shown below:

	GROUP		COMPANY	
	2025	2024	2025	2024
Local currencies	8.5%	11%	8.5%	-
Foreign currencies		=		

During the year the company invested a USD denominated Short Term Deposit with Amsons Group Kenya, a related party by virtue of common shareholding and/or directorship. The deposit attracted interest of 3-months USD SIFOR plus margin of 0.03% and was fixed quarterly in advance. Interest earned from the deposit in the year amounted to Kes 130 million (2024: Kes 58million)

23. SHARE CAPITAL

	GROUP AND COMPANY	
	2025 Kes'million	2024 Kes'million
Authorised		
366,600,000 ordinary shares of Kes 5 each	1,833	1,833
100,000, 7% redeemable cumulative preference shares of Kes 20 each	<u>2</u>	<u>2</u>
	<u>1,835</u>	<u>1,835</u>
Issued and fully paid		
362,959,275 ordinary shares of Kes 5 each	<u>1,815</u>	<u>1,815</u>

Fully paid ordinary shares, which have a par value of Kes 5 each, carry a right of one vote per share and have rights to dividends.

24. RESERVES

a) Asset revaluation reserve

The revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset original cost. When revalued assets are sold, the portion of the revaluation reserve that relates to those assets is effectively realised and transferred directly to retained earnings. The revaluation reserve is not distributable.

b) Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (Kenya shillings) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on disposal or partial disposal of a foreign operation.

c) Fair value reserve

The fair value reserve represents accumulated gains and losses arising on the revaluation of equity instruments designated at FVTOCI. The cumulative gain or losses is not to be reclassified to profit or loss when those assets have been disposed of or determined to be impaired instead its transferred to retained earnings

NOTES TO THE FINANCIAL STATEMENTS (continued)

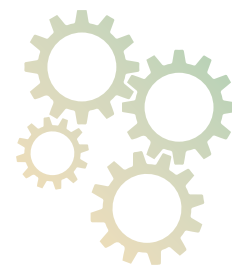
FOR THE YEAR ENDED 31 DECEMBER 2025

25. DEFERRED TAX LIABILITY

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% (2024: 30%). The make-up of the deferred tax liability at the year-end and the movement on the deferred tax account during the year are as presented below:

GROUP	At 1 January 2025 Kes'million	Profit or (loss) (note 12(a)) Kes'million	Other comprehensive income (note 12(a)) Kes'million	At 31 December 2025 Kes'million
Property, plant and equipment	3,546	(8)	-	3,538
Provision for site restoration and litigation costs	(33)	(9)	-	(42)
Bonus payable	(109)	20	-	(89)
Foreign exchange (losses) / gains	(79)	53	-	(26)
Provision for staff gratuity, long service awards and leave	(101)	18	9	(74)
Provision for obsolete and slow moving inventories	(182)	-	-	(182)
Impairment losses on financial assets	(43)	(4)	-	(47)
Provision for customer rebates	(27)	(28)	-	(55)
Tax losses	(59)	22	-	(37)
Provision for biofuel	(95)	(3)	-	(98)
Other provisions	<u>(22)</u>	<u>3</u>	<u>-</u>	<u>(19)</u>
	<u>2,796</u>	<u>63</u>	<u>9</u>	<u>2,869</u>

GROUP	At 1 January 2024 Kes'million	Profit or (loss) (note 12(a)) Kes'million	Other comprehensive income (note 12(a)) Kes'million	At 31 December 2024 Kes'million
Property, plant and equipment	3,747	(201)	-	3,546
Provision for site restoration and litigation costs	(30)	(3)	-	(33)
Bonus payable	(103)	(6)	-	(109)
Foreign exchange (losses) / gains	(78)	(1)	-	(79)
Provision for staff gratuity, long service awards and leave	(107)	6	1	(101)
Provision for obsolete and slow moving inventories	(152)	(30)	-	(182)
Impairment losses on financial assets	(135)	92	-	(43)
Provision for customer rebates	(12)	(15)	-	(27)
Tax losses	(71)	12	-	(59)
Provision for biofuel	-	(95)	-	(95)
Other provisions	<u>(8)</u>	<u>(14)</u>	<u>-</u>	<u>(22)</u>
	<u>3,051</u>	<u>(255)</u>	<u>1</u>	<u>2,796</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

25. DEFERRED TAX LIABILITY (CONTINUED)

COMPANY

	At 1 January 2025 Kes'million	Profit or loss (note 12 (a)) Kes'million	Other comprehensive income Kes'million	At 31 December 2025 Kes'million
Property, plant and equipment	3,469	8	-	3,477
Provision for site restoration and litigation costs	(33)	(9)	-	(42)
Bonus payable	(104)	21	-	(83)
Foreign exchange (losses) / gains	(79)	53	-	(26)
Provision for staff gratuity, long service awards and leave	(100)	18	6	(76)
Provision for obsolete and slow moving inventories	(177)	-	-	(177)
Impairment losses on financial assets	(38)	(3)	-	(41)
Provision for customer rebates	(27)	(28)	-	(55)
Provision for biofuels	(95)	(3)	-	(98)
Other provisions	<u>(22)</u>	<u>3</u>	<u>-</u>	<u>(19)</u>
	<u>2,794</u>	<u>60</u>	<u>6</u>	<u>2,860</u>

COMPANY

	At 1 January 2024 Kes'million	Profit or loss (note 12 (a)) Kes'million	Other comprehensive income Kes'million	At 31 December 2024 Kes'million
Property, plant and equipment	3,669	(200)	-	3,469
Provision for site restoration and litigation costs	(30)	(3)	-	(33)
Bonus payable	(98)	(6)	-	(104)
Foreign exchange (losses) / gains	(78)	(1)	-	(79)
Provision for staff gratuity, long service awards and leave	(103)	2	1	(100)
Provision for obsolete and slow moving inventories	(152)	(25)	-	(177)
Impairment losses on financial assets	(84)	46	-	(38)
Provision for customer rebates	(12)	(15)	-	(27)
Provision for biofuels	-	(95)	-	(95)
Other provisions	<u>(3)</u>	<u>(19)</u>	<u>-</u>	<u>(22)</u>
	<u>3,109</u>	<u>(316)</u>	<u>1</u>	<u>2,794</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

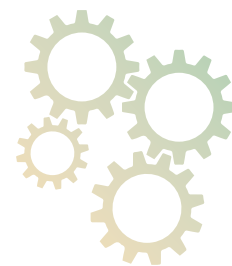
FOR THE YEAR ENDED 31 DECEMBER 2025

26. PROVISIONS

Year ended 31 December 2025

GROUP	Site restoration Kes' million	Litigation Kes' million	Leave pay Kes' million	Total Kes' million
At beginning of year	70	111	71	252
Additional provisions	18	34	25	77
Utilised during the year	<u>(19)</u>	<u>(11)</u>	<u>(30)</u>	<u>(60)</u>
At end of year	<u>69</u>	<u>134</u>	<u>66</u>	<u>269</u>
Categorised as:				
Current portion	21	27	66	114
Non-current portion	<u>48</u>	<u>107</u>	<u>-</u>	<u>155</u>
At end of year	<u>69</u>	<u>134</u>	<u>66</u>	<u>269</u>
COMPANY				
At beginning of year	70	111	69	250
Additional provisions	18	34	-	52
Utilised during the year	<u>(19)</u>	<u>(11)</u>	<u>(5)</u>	<u>(35)</u>
At end of year	<u>69</u>	<u>134</u>	<u>64</u>	<u>267</u>
Categorised as:				
Current portion	21	27	64	112
Non-current portion	<u>48</u>	<u>107</u>	<u>-</u>	<u>155</u>
At end of year	<u>69</u>	<u>134</u>	<u>64</u>	<u>267</u>
Year ended 31 December 2024				
GROUP				
At beginning of year	65	50	55	170
Additional provisions	9	61	18	88
Utilised during the year	<u>(4)</u>	<u>-</u>	<u>(2)</u>	<u>(6)</u>
At end of year	<u>70</u>	<u>111</u>	<u>71</u>	<u>252</u>
Categorised as:				
Current portion	11	6	71	88
Non-current portion	<u>53</u>	<u>111</u>	<u>-</u>	<u>164</u>
At end of year	<u>64</u>	<u>117</u>	<u>71</u>	<u>252</u>
COMPANY				
At beginning of year	65	50	53	168
Additional provisions	9	61	17	87
Utilised during the year	<u>(4)</u>	<u>-</u>	<u>(1)</u>	<u>(5)</u>
At end of year	<u>70</u>	<u>111</u>	<u>69</u>	<u>250</u>
Categorised as:				
Current portion	12	6	69	87
Non-current portion	<u>52</u>	<u>111</u>	<u>-</u>	<u>163</u>
At end of year	<u>64</u>	<u>117</u>	<u>69</u>	<u>250</u>

The provision for site restoration and litigation relates to future outflows that will be required to settle related liabilities.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

26. PROVISIONS (CONTINUED)

The Group makes full provision for the future cost of rehabilitating its quarry sites and related production facilities. These provisions are established based on the Group's internal estimates and assumptions reflecting the current economic environment, which management believes provide a reasonable basis for estimating the future liability. These estimates are reviewed regularly to incorporate any material changes in operational assumptions.

The provision is recognized as a direct cost of production, calculated based on the tonnage extracted during the period by applying a standardized restoration rate per unit. This ensures the liability scales linearly with operational activity. As rehabilitation works are performed concurrently with mining—typically within a twenty-four-month operational cycle—the provision is utilized to offset actual costs incurred as they arise. Management has determined that given this short-term settlement horizon, the effect of discounting is immaterial to the fair presentation of the financial statements; accordingly, the provision is stated at the expected settlement value.

The amount of litigation provisions made is based on the Group's assessment of the basis for the claims and the level of risk on a case-by-case basis. The provision depends on the Group's assessment of the stage of the proceedings and the arguments in its defence. The occurrence of events during proceedings may lead to a reappraisal of the risk at any time.

Leave pay relates to employee benefits in the form of annual leave entitlements provided for when they accrue to employees with reference to services rendered up to the reporting date. Employees are entitled to carry forward a maximum of 10 leave working days per annum which should be fully utilised by the end of the following year.

27. EMPLOYEE BENEFIT LIABILITIES

Service gratuity and long service awards

The provisions for service gratuity and long service awards represent entitlements that accrue as a result of services offered by employees. These are classified as defined benefit plans and are not funded. The cost and the present value of the obligation of the service gratuity and long service awards are determined using actuarial valuations by an independent actuarial valuer.

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and other comprehensive income and the amounts recognised in the statement of financial position for the respective plans:

Year ended 31 December 2025

	Group			Company		
	Long service award Kes'million	Gratuity Kes'million	Total Kes'million	Long service award Kes'million	Gratuity Kes'million	Total Kes'million
Opening employee benefit obligation	13	260	273	12	250	262
Current service cost-charged to profit or loss	1	10	11	1	9	10
Benefits payments	(2)	(136)	(138)	(2)	(132)	(134)
Interest cost - charged to profit or loss	2	34	36	2	32	34
Actuarial gain - credited to other comprehensive income	2	27	29	2	19	21
Closing employee benefit obligation	<u>16</u>	<u>196</u>	<u>212</u>	<u>15</u>	<u>178</u>	<u>193</u>
Categorised as:						
Current portion	1	27	28	1	26	27
Non-current portion	<u>15</u>	<u>169</u>	<u>184</u>	<u>14</u>	<u>152</u>	<u>166</u>
Total	<u>16</u>	<u>196</u>	<u>212</u>	<u>15</u>	<u>178</u>	<u>193</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Year ended 31 December 2024

	Group			Company		
	Long service award Kes'million	Gratuity Kes'million	Total Kes'million	Long service award Kes'million	Gratuity Kes'million	Total Kes'million
Opening employee benefit obligation	17	274	291	16	263	279
Current service cost-charged to profit or loss	2	8	10	2	7	9
Benefits payments	(3)	(61)	(64)	(3)	(57)	(60)
Interest cost - charged to profit or loss	3	36	39	3	34	37
Actuarial gain - credited to other comprehensive income	(6)	3	(3)	(6)	3	(3)
Closing employee benefit obligation	<u>13</u>	<u>260</u>	<u>273</u>	<u>12</u>	<u>250</u>	<u>262</u>
Categorised as:						
Current portion	2	106	109	2	104	106
Non-current portion	<u>11</u>	<u>154</u>	<u>164</u>	<u>10</u>	<u>146</u>	<u>156</u>
Total	<u>13</u>	<u>260</u>	<u>273</u>	<u>12</u>	<u>250</u>	<u>262</u>

The principal actuarial and financial assumptions used in determining service gratuity and long service awards obligations for the Group's plans are shown below:

	2025 %	2024 %
Interest rate	10.7%	16.9%
Future salary increases	10.9%	10.9%
Long service award escalation rate	-	9.6%

Mortality rate

The actuary uses actives' mortality A49-52 ultimate and pensioners' mortality A55 as the base tables of standard mortality rates. Statistical methods are used to adjust the rates reflected on the base table based on the Company's experience of improvement or worsening of mortality.

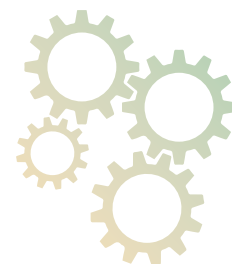
Sensitivity of the Results:

The results of the actuarial valuation will be more sensitive to changes in the financial assumption than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, the actuaries have relied on the calculations of the duration of the liability.

Based on this methodology, the results of the sensitivity analysis are summarised in the table below:

A quantitative sensitivity analysis for significant assumption as at 31 December 2025 is as shown below: *

GROUP	Interest rate		Salary escalation rate		Termination rate	
	+0.5% Kes'million	-0.5% Kes'million	+0.5% Kes'million	-0.5% Kes'million	+0.5% Kes'million	-0.5% Kes'million
Gratuity	196	197	197	195	195	197
Long service awards	<u>16</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>17</u>	<u>16</u>
Total	<u>212</u>	<u>214</u>	<u>214</u>	<u>211</u>	<u>212</u>	<u>213</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Other disclosures (Continued)

Sensitivity of the Results (continued)

Since the bulk of the benefits payable under the Scheme are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liabilities (for example the liability in respect of pensions in payment and deferred pensioners) would not be affected by a change in the salary escalation rate.

Characteristics and Risks of the Scheme:

The Scheme is of a defined benefit nature (i.e., salary and service related). Therefore, one of the main risks relating to the benefits under the Scheme is the rate of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the scheme. The Group's experience with respect to pre-retirement exit experience, actual ages of retirement and mortality will also impact the benefits payable under the Scheme, when compared with the assumption made. The Scheme is registered under irrevocable trust with the Retirement Benefits Authority.

Discount rate

IAS 19 requires the discount rate to be determined by reference to the market yields, on the reporting date, on high quality corporate bonds, or in the countries where there is no deep market in such bonds, the market yields on government bonds. The currency and term of the corporate or government bonds should be consistent with the currency and estimated term of the post-employment benefit obligation. In the absence of a deep and liquid market in such long dated securities in Kenya, a discount rate as at 31 December 2025 of 10.7% (2024 16.9%) per annum has been used. In this case, the government bond rates were used to determine the discount rates.

As at 31 December 2025, the yield on the longest-dated government bond listed on the Nairobi Securities Exchange was 13.6%. This yield was considered to be an appropriate proxy for the valuation interest rate in this years valuation.

28. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Trade payables*	2,183	2,330	1,938	2,112
Accrued expenses***	1,505	1,417	1,449	892
Other payables**	279	356	226	454
Payable to related parties - Note 32 (b)****	7	174	60	83
	<u>3,974</u>	<u>4,277</u>	<u>3,673</u>	<u>3,541</u>

Terms and conditions of the above financial liabilities:

* Trade payables and payables to related parties are non-interest bearing and are normally settled on a 30 – 60 day terms.

** Other payables are non-interest bearing and have an average term of less than one month. These mainly relate to amounts due to statutory bodies in respect to year-end staff deductions.

***Accrued expenses are non-interest bearing and have an average normally settled on 30 -60 say term. These mainly relate to accrued rebates in relation to customers, mining levy provisions etc

**** For terms and conditions with related parties, refer to Note 32

The Group has established a supplier finance arrangement under which its suppliers at their discretion may elect to receive early payment of their invoices from a bank. Under the arrangement, the participating suppliers will receive early payment on invoices sent to the Group from the bank and the group repays the bank at a later date usually on maturity of the invoice. If suppliers choose to receive early payment, they pay a fee to the bank, to which the Group is not party. For the bank to pay the invoices, the goods/services must have been supplied and the invoices approved by the group. The group does not provide any security to the bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

28. TRADE AND OTHER PAYABLES (Continued)

All trade payables subject to the supplier finance arrangement are included in the trade and other payable in the consolidated statement of financial position and within trade payable in the table above

Carrying amount of liabilities under supplier Finance arrangement:	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Liabilities under supplier finance arrangement	147	266	144	259
Of which the supplier has received payment from the bank	147	255	144	248

29. CONTINGENT LIABILITIES

a) Guarantees

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Guarantees and bonds issued by the Group's bankers in favour of Kenya Revenue Authority	88	101	88	101
Guarantees and bonds issued by the Group's bankers in favour of other parties	<u>6</u>	<u>10</u>	<u>6</u>	<u>4</u>
At end of year	<u>94</u>	<u>111</u>	<u>94</u>	<u>105</u>

The guarantees and bonds are issued by the Group's and the Company's bankers in favour of third parties. The Group and the Company has entered into counterindemnities with the same banks. These guarantees and bonds are part of the borrowing facilities disclosed in Note 29 (d) and are issued in the normal course of business. The guarantees are held by the respective banks on behalf of the Group and the Company.

b) Legal matters

The Group and the Company are involved in a number of legal proceedings which are yet to be concluded upon. The Directors have evaluated the pending cases and determined that no material liabilities are likely to arise from these cases which arose in the normal course of business. The Group and the Company have an in-house legal department that assessed the court cases in arriving at the above conclusion.

c) Tax matters

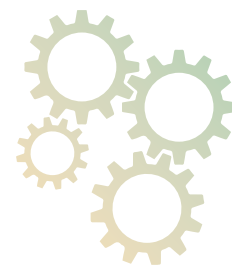
The Group is regularly subjected to evaluations, by the taxation authorities, of its direct and indirect taxation affairs and in connection with such reviews, tax assessments can be issued by the taxation authorities in respect of the Group's taxation affairs in relation to cases where a group entity is deemed to have failed to comply with tax laws.

With the assistance of professional advice, the Directors have considered all matters currently under review by the tax authorities and are confident that no material liabilities will crystallize to the group.

d) Borrowing facilities

At the end of the year, the Group had working capital facilities amounting to total of Kes 1.9 billion (2024 - Kes 2.3 billion), out of which the undrawn facilities amounted to Kes 1.7 billion (2023 - Kes 2.2 billion). The drawn amounts mainly relate to supplier trade finance, bonds and guarantees.

The working capital facilities are annual facilities that are subject to review at various dates during the year. They consist of letters of credit and guarantees, among others.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

30. CAPITAL COMMITMENTS

Authorised and contracted

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements is as follows:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Commitments for the acquisition of property, plant and equipment	<u>51</u>	<u>466</u>	<u>51</u>	<u>403</u>

Authorised but not contracted

Capital expenditure authorised but not contracted for at the reporting date:

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Commitments for the acquisition of property, plant and equipment	<u>85</u>	<u>-</u>	<u>85</u>	<u>-</u>

31. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit before tax to cash generated from operations:

GROUP	Notes	2025 Kes'million	2024 Kes'million
Profit before tax from continued operations		4,132	971
Loss from discontinued operations		-	(979)
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	15(a)	1,326	1,561
Amortisation of intangible assets	16(a)	6	2
Impairment of property, plant and equipment	9(iii)	1	15
Impairment of intangible assets	9(ii))	-	-
Loss allowance on trade receivables	21(b)	13	(29)
Movement in provision	26	17	82
Movement in employees' defined benefit liability	27	(97)	(18)
Interest income	7(ii)	(85)	(310)
Loss/(gain) on disposal of property, plant and equipment	8	1	3
Impairment of biofuel	33	10	247
Loss on discontinued operation	17(b)	-	979
Gain on disposal of subsidiary	8	(173)	-
Provisions on disposal of subsidiary		-	(568)
Net foreign exchange losses	8	<u>91</u>	<u>1,648</u>
Operating profit before working capital changes		5,241	3,604
<i>Changes in working capital balances:</i>			
Decrease/(Increase) in inventories	19	(336)	603
Decrease/(Increase) in trade and other receivables	21	8	(469)
Decrease in trade and other payables	28	<u>(303)</u>	<u>942</u>
Cash generated from operations		<u>4,610</u>	<u>4,680</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

31. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

COMPANY	Notes	2025 Kes'million	2024 Kes'million
Profit before tax		2,909	8,673
Adjustments for:			
Depreciation on property, plant and equipment	15(b)	1,294	1,531
Amortisation of intangible assets	16	6	2
Impairment of property, plant and equipment	9(iii)	-	15
Impairment of intangible assets	9(ii)	1	-
Impairment on bio fuels	33	10	247
Loss on disposal of subsidiary	8	912	-
Loss allowance on trade receivables	21(b)	10	(31)
Movement of provisions	26	17	82
Movement in employees' defined benefit liability	27	(103)	(17)
Dividends from subsidiaries	7(i)	-	(6,635)
Interest income	7(ii)	(80)	(135)
Loss on disposal of property, plant and equipment	8	5	3
Net foreign exchange losses/(gains)	8	91	322
Operating profit before working capital changes		5,072	4,057
<i>Changes in working capital balances:</i>			
Decrease/(increase) in inventories	19	(341)	615
Decrease/(increase) in trade and other receivables	21	(160)	(228)
Decrease in trade and other payables	28	132	344
Cash generated from operations		4,703	4,788

32. RELATED PARTY TRANSACTIONS

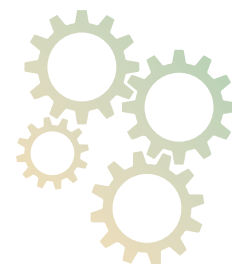
Note 17 provides the information about the Group's structure including the details of the subsidiaries.

The ultimate parent of the Group is Amsons Tanzania Limited, incorporated in Tanzania. There are other companies which are related to Bamburi Cement Plc through common shareholdings.

(a) Related party transactions

The following transactions were carried out with related parties during the year.

		Sales of goods and services Kes'million	Purchases of goods and services Kes'million	Interest received Kes'million
GROUP:				
Amsons [K] Industries	2025	7	-	-
	2024	-	-	-
COMPANY				
Subsidiaries:				
Bamburi Ecosystems Limited	2025	-	46	-
	2024	-	42	-
Bamburi Special Products Limited	2025	501	-	40
	2024	650	6	48



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions

The below disclosure relates to transactions with the former related parties during the year.

		Sales of goods and services Kes'million	Purchases of goods and services Kes'million	Interest received Kes'million
Other related companies:				
Lafarge SA (technical services)* (Note 10)	2025	-	-	-
	2024	-	714	-
Holcim Trading	2025	-	-	-
	2024	-	82	-
Holcim Fuels Procurement	2025	-	-	-
	2024	-	1,689	-
Holcim International Finance	2025	-	-	-
	2024	-	-	58

*For the period ended 31 December 2024, the company received technical assistance from the former majority shareholder, Lafarge SA, which was paid for under a five-year agreement

(b) Outstanding balances arising from sale and purchase of goods and services to/from related companies at the year-end.

	GROUP		COMPANY	
	2025 Kes'million	2024 Kes'million	2025 Kes'million	2024 Kes'million
Receivables from related parties				
Other related parties	-	-	7	-
Bamburi Special Products Limited	-	-	501	546
Bamburi Eco Systems Limited	-	-	-	39
Binastore Limited	-	-	187	186
Diani Estate Limited	-	-	1	14
Total receivables (note 21(a))	-	-	696	785
Payables to related parties				
Other related parties	7	141	-	-
Bamburi Special Products Limited	-	-	-	22
Bamburi Eco Systems Limited	-	-	60	61
Total payables (note 28)	7	174	60	83

Terms and conditions of transactions and balances with related parties

The sales to and purchases from related parties are made on terms as specified in the transfer pricing arrangement between the Group companies. Outstanding balances at the year-end are unsecured and interest free. For the year ended 31 December 2025 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. There have been no guarantees or commitments provided or received for any related party receivables or payables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. RELATED PARTY TRANSACTIONS (CONTINUED)

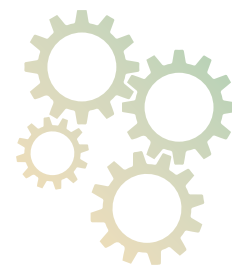
(d) Loan to subsidiary

As at the reporting date, the outstanding loan to the company from Bamburi Special Products Limited, its fully owned subsidiary amounted to Kes 306 million (2024 - Kes 382 million). The loan is unsecured with an effective interest rate of 11.55% and is repayable in 6years. The loan comprises:

	COMPANY	
	2025 Kes'million	2024 Kes'million
As at 1 January	382	455
Loan advanced	-	-
Repayments in the year	(76)	(73)
As at 31 December	<u>306</u>	<u>382</u>
Classified as:		
Current	85	76
Non- current	<u>221</u>	<u>306</u>
	<u>306</u>	<u>382</u>
Interest earned on the above loan (Note 7ii)	<u>40</u>	<u>48</u>

(e) The remuneration of directors and members of key management during the year was as follows:

	GROUP	
	2025 Kes'million	2024 Kes'million
Fees for services as a director		
Executive	-	-
Non-executive	<u>24</u>	<u>20</u>
Total directors' fees	<u>24</u>	<u>20</u>
Emoluments for executive directors		
Salaries and bonuses	104	93
Short term employee benefits	22	20
Post-employment pension-defined contribution	<u>6</u>	<u>6</u>
Total emoluments for executive directors	<u>132</u>	<u>119</u>
Emoluments for key management personnel (excluding the directors):		
Salaries and bonuses	112	111
Short term employee benefits	46	45
Post-employment pension-defined contribution	<u>8</u>	<u>8</u>
Total emoluments for key management personal	<u>166</u>	<u>164</u>
Total emoluments for directors and other key management personnel	<u>322</u>	<u>303</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

33. BIOFUELS (GROUP AND COMPANY)

Biofuels comprise eucalyptus, casuarina, cassi siamea and neem tree plantations. These are carried at lower of cost and net realisable value. The net realisable values of the tree plantations are determined by company's internal valuation experts based on recent market transaction prices.

During the year, management carried out a valuation assessment of the biofuels and made the decision to impair to net recoverable amounts.

Changes in carrying amounts of biofuels comprise:

	2025 Kes'million	2024 Kes'million
At start of year	153	400
Impairment	<u>(10)</u>	<u>(247)</u>
At end of year	<u>143</u>	<u>153</u>

The biofuels are included in inventories note (19) whereas the reversal of impairment/impairment in the year are included in cost of sales in note (5).

34. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution retirement plan for the non-unionised employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The scheme is administered by an independent administration Company and is funded by contributions from the Group companies and employees. The Group's obligations to the staff retirement benefits plans are charged to profit or loss as they fall due and as they accrue to each employee.

The Group also made contributions to the statutory defined contribution scheme. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss of Kes131 million (2024: Kes 133 million) and Kes 123 million (2024: Kes 122 million) represents contributions payable to these plans by the Group and Company, respectively, at rates specified in the rules of the plans. The expense has been included within the retirement benefits costs under staff costs in Note 11(b).

35. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Group's principal financial liabilities are trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds financial assets at fair value through other comprehensive income.

The Group is exposed to;

- market risk;
- credit risk; and
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise potential adverse effects of such risks on its financial performance within the options available in Kenya by setting acceptable levels of risks.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk Management Framework

Financial risk management is carried out by Group's Corporate Treasury Department under policies approved by the Board of Directors. The Group's Corporate Treasury function identifies, evaluates and manages financial risks in close cooperation with operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as credit risk, liquidity risk, foreign exchange risk, interest rate risk and price risk. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Amson's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk arising from changes in market prices, such as interest rates, equity prices and foreign exchange rates which will affect the Group's income or the 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 optimising the return. Overall responsibility for managing market risk rests with the Group Finance Director. The Group's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Group Finance Director) and for the day to day implementation of those policies.

There has been no change to the Group's exposure to market risks or the manner in which it measures and manages the risk.

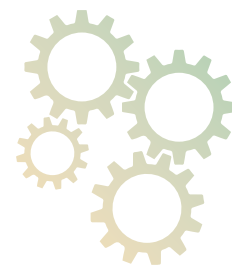
a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Therefore, exposures to exchange rate fluctuations arise. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The group manages foreign exchange risk by converting its foreign currency collections into local currency on an ongoing basis to cater for its operational requirements. The group raises some bills in foreign currency and receives the settlements in the same currency to avoid the effect of swinging currency exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Group foreign currency risk:

	Denominated in EUR Kes'million	Denominated in USD Kes'million	TOTAL Kes'million
31 December 2025:			
Assets			
Trade and other receivables	1	34	35
Bank balances	<u>2</u>	<u>7,074</u>	<u>7,076</u>
Total assets	<u>3</u>	<u>7,108</u>	<u>7,111</u>
Liabilities			
Trade and other payables	<u>(16)</u>	<u>(54)</u>	<u>(70)</u>
Net exposure position	<u>(13)</u>	<u>7,054</u>	<u>7,041</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk Management Framework (continued)

(i) Market risk (Continued)

a) foreign currency risk management (Continued)

Group foreign currency risk (Continued)

	Denominated in EUR Kes'million	Denominated in USD Kes'million	TOTAL Kes'million
31 December 2024:			
Assets			
Trade and other receivables	28	23	51
Bank balances	<u>105</u>	<u>1,967</u>	<u>2,072</u>
Total assets	<u>133</u>	<u>1,990</u>	<u>2,123</u>
Liabilities			
Trade and other payables	<u>(60)</u>	<u>(145)</u>	<u>(205)</u>
Net exposure position	<u>73</u>	<u>1,845</u>	<u>1,918</u>
Company foreign currency risk:			
	Denominated in EUR Kes'million	Denominated in USD Kes'million	TOTAL Kes'million
31 December 2025:			
Assets			
Trade and other receivables	1	34	35
Bank balances	<u>2</u>	<u>7,072</u>	<u>7,074</u>
Total assets	<u>3</u>	<u>7,106</u>	<u>7,109</u>
Liabilities			
Trade and other payables	<u>(10)</u>	<u>(35)</u>	<u>(45)</u>
Net exposure position	<u>(7)</u>	<u>7,071</u>	<u>7,064</u>
31 December 2024:			
Assets			
Trade and other receivables	28	23	51
Bank balances	<u>105</u>	<u>1,967</u>	<u>2,072</u>
Total assets	<u>133</u>	<u>1,990</u>	<u>2,123</u>
Liabilities			
Trade and other payables	<u>(60)</u>	<u>(145)</u>	<u>(205)</u>
Net exposure position	<u>73</u>	<u>1,845</u>	<u>1,918</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Market risk (continued)

a) Foreign currency risk management (continued)

Company foreign currency risk (Continued)

The following sensitivity analysis shows how profit and equity would change if the Kenya Shilling had depreciated against the other currencies by 5% (2024: 5%) on the reporting date with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant. This is mainly attributable to the change in value of foreign exchange receivables, payables and bank balances.

The assumed movement in percentage for the rate of sensitivity analysis is based on the observable market environment for the past years..

GROUP	Effect on profit or loss before tax		Effect on equity	
	2025 Kes' million	2024 Kes' million	2025 Kes' million	2024 Kes' million
EUR	(1)	4	-	3
USD	<u>353</u>	<u>92</u>	<u>247</u>	<u>64</u>
	<u>352</u>	<u>96</u>	<u>247</u>	<u>67</u>
COMPANY				
EUR	-	4	-	3
USD	<u>354</u>	<u>92</u>	<u>247</u>	<u>64</u>
	<u>354</u>	<u>96</u>	<u>247</u>	<u>67</u>

b) Interest rate risk

The Group and the Company also holds cash deposits with financial institutions. The interest rates on the cash deposits are fixed and agreed upon in advance.

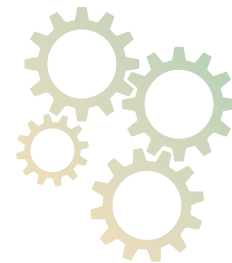
Management closely monitors the interest rate trends to minimise the potential adverse impacts of interest rate changes. Deposits are placed at fixed interest rates and management is therefore able to plan for the resulting income. For the facilities with variable rates, the Group and the Company is in regular contact with the lenders in a bid to obtain the best available rates.

During the year, a 5% increase (2024:5%) of the annual interest would have not resulted in an increase/decrease in pre tax profit as there were no call deposit with banks (2024: Kes 15.5 million) and there would have been no increase/decrease in equity (2024: Kes 10.8 million). The assumed movement in interest rate sensitivity analysis is based on the currently observable market environment. This is the amount by which interest rates generally fluctuate by.

c) Price risk

Quoted investments are valued at their market prices. These values are subject to frequent variations and adverse market movements. This risk is mitigated by the fact that equity investments are held for strategic rather than trading purposes..

At 31 December 2025, if the prices at the Nairobi Securities Exchange had appreciated/depreciated by 5% with all other variables held constant, it would have resulted in an increase/decrease in the other comprehensive income and equity for the Group and Company of Kes 22.3 million (2025 - Kes 22.3 million) Kes 12.8 million (2024: Kes 12.8 million) as a result of changes in fair value of equity instruments at FVTOCI.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's and the Company's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

GROUP AND COMPANY

Trade Receivables

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The Group and Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% against all receivables over 365 days past due as default because historical experience has indicated that these receivables are generally not recoverable where they are not fully or partially secured by a bank guarantee.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group/Company's write off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 365 days past due, whichever occurs earlier. The write off will be the excess of the amount owing over the security of the bank guarantee required of the credit customers. In case of unsecured debtors, who are predominantly in the contractors' segment, the write off will be the entire amount owing to the Company.

The following tables detail the risk profile of trade receivables based on the Group/Company's provision matrix. As the group and company's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished between the Group's different customer bases

The Group's current credit risk grading framework comprises the following categories:

Contractors:

Category	Description	Basis for recognizing Expected credit loss (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Under watch	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL
Doubtful	Amount is >90 days past due and there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group/Company has no realistic prospect of recovery unless the Company is holding a bank guarantee covering the amount and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

GROUP AND COMPANY (continued)

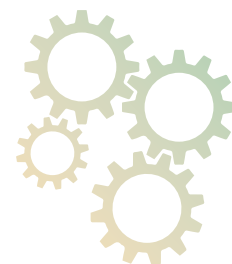
Trade Receivables (continued)

Distributors:

Category	Description	Basis for recognizing Expected Credit Loss (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL
Under watch	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL
Doubtful	Amount is >90 days past due and there is evidence indicating the asset is credit-impaired, and there no security held.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery of any amounts above the bank guarantee value and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high.	Amount is written off

Cash customers, predominantly retail

Category	Description	Basis for recognizing Expected Credit Loss (ECL)
Doubtful	There is evidence indicating that cash customers have stopped trading despite them having a debit balance in their account. An indicator of probable lapse on systems credit checks or overriding of controls. * At initial, new retail customers are expected to be cash customers and based on their performance, they can request to make advance payments and pay a later amount upon delivery. The Company then requires them to obtain a guarantee by the bank hence some of the cash customers will have debit balances	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery of any amounts above the bank guarantee value and or the amounts are subject to court proceeding and the adverse probable outcome is ranked high.	Amount is written off



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

The tables below detail the credit quality of the Group's financial assets and the Group's maximum exposure to credit risk by credit risk rating grades. The rates are communicated from Group based on their internal risk rating in addition to consultation with the Credit risk consultants.

Group

Financial asset		External rating	Internal rating	lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount	Classification
31 December 2025	Note				Sh'million	Sh'million	Sh'million	
Bank balance	22	AAA/BBB	N/A	Lifetime ECL(simplified approach SPPI)	7,824	-	7,824	Amortized cost
Call deposit with local bank	22	AAA/BBB	N/A	Performing				Amortized cost
Trade receivable-Third party (Excl.Customer creditors)	21	NA	Doubtful	Lifetime ECL not credit impaired	1,271	(165)	1,106	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	N/A	Lifetime ECL not credit impaired	-	-	-	Amortized cost

Financial asset		External rating	Internal rating	lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount	Classification
31 December 2024	Note				Sh'million	Sh'million	Sh'million	
Bank balance	22	AAA/BBB	N/A	Lifetime ECL(simplified approach SPPI)	5,249	-	5,249	Amortized cost
Call deposit with local bank	22	AAA/BBB	N/A	Performing	526	-	526	Amortized cost
Trade receivable-Third party (Excl.Customer creditors)	21	NA	Doubtful	Lifetime ECL not credit impaired	977	(152)	825	Amortized cost
Trade receivable-receivables from related companies	32 (b)	NA	N/A	Lifetime ECL not credit impaired	-	-	-	Amortized cost

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

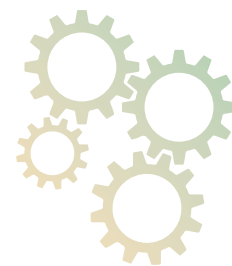
The tables below detail the credit quality of the Company's financial assets and the Company's maximum exposure to credit risk by credit risk rating grades:

Company

Financial asset 31 December 2025	Note	External rating	Internal rating	Lifetime ECL	Gross carrying amount Sh'million	Loss allowance Sh'million	Net carrying amount Sh'million	Classification
Bank balance	22	AAA/ BBB	N/A	Lifetime ECL (simplified approach - SPPI)	7,555	-	7,555	Amortized cost
Trade receivables – Third party (Excl. Customer Creditors)	21	N/A	Doubtful	Lifetime ECL not credit- impaired	1,115	(137)	978	Amortized cost
Trade receivable- receivables from related companies	32 (b)	NA	N/A	Lifetime ECL not credit impaired	696	-	696	Amortized cost

Financial asset 31 December 2024	Note	External rating	Internal rating	Lifetime ECL	Gross carrying amount Sh'million	Loss allowance Sh'million	Net carrying amount Sh'million	Classification
Bank balance	22	AAA/ BBB	N/A	Lifetime ECL (simplified approach - SPPI)	4,402	-	4,402	Amortized cost
Trade receivables – Third party (Excl. Customer Creditors)	21	N/A	Doubtful	Lifetime ECL not credit- impaired	925	(127)	798	Amortized cost
Trade receivable- receivables from related companies	32 (b)	NA	N/A	Lifetime ECL not credit impaired	785	-	785	Amortized cost

* NSE: Nairobi Securities Exchange



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Credit risk (continued)

- i) The Banks used by the Company are either determined or approved by the ultimate Parent's Corporate Finance and Treasury (CFT) department. The Banks are classified as either Relationship Banks or Niche Banks. Relationship banks are preferred to Niche Banks, any banks outside the Bank List require written approval from the Group.
- ii) The short term deposits held with Amsons Group, a related party, are carried at amortised cost. The carrying amount of the short term deposits at FVTPL as disclosed in note 23(d) best represents their maximum exposure to credit risk. The Group holds no collateral over any of these balances.
- iii) For trade receivables, the Group/Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL (which in the case of the Group/Company is the same as the 12-month ECL). The Group determines the expected credit losses on these items by using a provision matrix, estimate based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 21, 22 32 include further details on the loss allowance for these assets respectively.
- iv) For the loan to related parties, the gross carrying amount represents the maximum amount the Company expects to receive in principal payments from its subsidiary - Bamburi Special Products Limited, and the net carrying amount represents the amortized cost of the loan receivable without discounting given that the discounting yields an immaterial difference in the carrying amounts.

(iii) Liquidity risk

This is the risk that the Group will encounter difficulties in meeting its financial commitments from its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management includes maintaining sufficient cash to meet the group's obligations.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has developed and put in place an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table analyses the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows and exclude the impact of netting agreements.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (Continued)

GROUP – Financial liabilities:

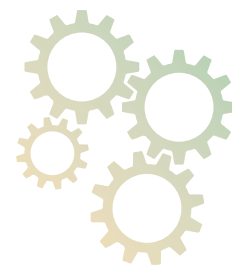
	Total amount Kes'million	0-30 days Kes'million	31-90 days Kes'million	91-120 days Kes'million	Above 120 days but less than 1 year Kes'million
31 December 2025:					
Trade payables	2,183	1032	560	224	367
Related party payables	-	-	-	-	-
Other payables	286	66	70	86	64
Accrued expenses	<u>1,494</u>	<u>479</u>	<u>246</u>	<u>319</u>	<u>450</u>
31 December 2024:					
Trade payables	2,330	972	521	453	384
Related party payables	356	106	112	76	62
Other payables	<u>1,417</u>	<u>563</u>	<u>401</u>	<u>333</u>	<u>120</u>
COMPANY – Financial liabilities:					
31 December 2025:					
Trade payables	1,938	830	521	303	284
Related party payables	60	7	14	23	16
Other payables	226	46	54	64	62
Accrued expenses	<u>1,449</u>	<u>565</u>	<u>401</u>	<u>333</u>	<u>150</u>
31 December 2024:					
Trade payables	2,112	873	468	428	343
Related party payables	83	9	21	19	34
Other payables	454	121	98	132	103
Accrued expenses	<u>892</u>	<u>354</u>	<u>243</u>	<u>219</u>	<u>76</u>

36 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- To ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.
- To maintain a strong capital base to support the current and future development needs of the business.

The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

36 CAPITAL RISK MANAGEMENT (CONTINUED)

The Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on the review, the Group analyses and assesses the gearing ratio to determine the level and its optimality.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 20% and 40%, where applicable. The Group has no interest-bearing borrowing and the gearing policy does not apply in the current year.

There have been no material changes in the Group's management of capital during the year.

The constitution of capital managed by the Group is as shown below:

	GROUP		COMPANY	
	2025	31 December 2024	2025	2024
	Kes'million	Kes'million	Kes'million	Kes'million
Equity	<u>28,717</u>	<u>25,225</u>	<u>29,116</u>	<u>26,807</u>
Debt				
Borrowings	-	-	-	-
Less: Cash and cash equivalents	<u>7,824</u>	<u>5,249</u>	<u>7,555</u>	<u>4,402</u>
Net debt	-	-	-	-
Net debt to equity ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Equity	<u>28,717</u>	<u>25,225</u>	<u>29,116</u>	<u>26,807</u>
Debt				

37. FAIR VALUE OF ASSETS AND LIABILITIES

a) Comparison by class of the carrying amount and fair values of the financial instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Equity investments are quoted shares at the Nairobi Securities Exchange. Fair value of the quoted shares is based on price quotations at the reporting date.

Management assessed that the fair value of trade receivables, receivables from related companies, cash and cash equivalents, trade payables and payables to related companies approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying values of the Company's loan to subsidiary is determined by using Effective Interest Rate (EIR) method that reflects the market interest rate as at the end of the reporting period which is approximate to the fair value. (Note 32(d)).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

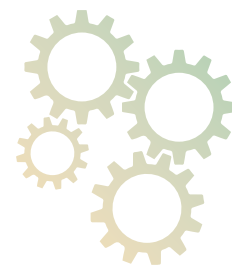
37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

a) Fair value hierarchy

The table below shows an analysis of all assets and liabilities measured at fair value in the financial statements or for which fair values are disclosed in the financial statements by level of the fair value hierarchy. These are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- i. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii. 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 a price) or indirectly (i.e. derived from prices); and
- iii. 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)

	Level 1 Kes'million	Level 2 Kes'million	Level 3 Kes'million
GROUP			
31 December 2025			
Assets			
Property, plant and equipment (Note 15(a))	-	-	-
-Freehold land and buildings	-	-	9,331
-Plant and machinery	-	-	12,386
Fair value designated at FVTOCI - equity securities	<u>792</u>	<u>-</u>	<u>-</u>
31 December 2024			
Assets			
Property, plant and equipment (Note 15(a))	-	-	8,995
-Freehold land and buildings	-	-	12,420
-Plant and machinery	-	-	-
Fair value designated at FVTOCI - equity securities	<u>345</u>	<u>-</u>	<u>-</u>
COMPANY			
31 December 2025			
Assets			
Property, plant and equipment (Note 15(b))	-	-	8,960
-Freehold land and buildings	-	-	12,171
-Plant and machinery	-	-	-
Fair value designated at FVTOCI - equity securities	<u>792</u>	<u>-</u>	<u>-</u>
31 December 2024			
Assets			
Property, plant and equipment (Note 15(b))	-	-	8,657
-Freehold land and buildings	-	-	12,236
-Plant and machinery	-	-	-
Fair value designated at FVTOCI - equity securities	<u>345</u>	<u>-</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

a) Fair value hierarchy (Continued)

The Group's freehold land, buildings, plant, and machinery were last revalued on 1 December 2022 in line with the group policy of carrying out a revaluation after every 5 years.

The valuations were based on market value as follows:

Comparable method for valuation of land and buildings

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

The properties' fair values were based on valuations performed by Knight Frank Valuers Limited, an accredited independent valuer.

Depreciated replacement cost for plant and machinery

Plant and machinery were revalued on a depreciated replacement cost basis using a valuation model prescribed by engineers and consultants at the technical centre of the ultimate shareholder.

In using the depreciated replacement cost basis the engineers and consultants at the technical centre of the ultimate shareholder ensures that this is consistent with methods of measuring fair value as per the requirements of IFRS 13.

The engineers and consultants ensure that:

- 1) The highest and best use of the property and machinery is its current use, and
- 2) The principal market or in its absence, the most advantageous market, exit market, for the property and machinery is the same as the market in which the property and machinery was or will be purchased, entry market.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value hierarchy (continued)

Depreciated replacement cost for plant and machinery (Continued)

In addition, the engineers and consultants ensure that the resulting depreciated replacement cost is assessed to ensure market participants are willing to transact for the property and machinery in its current condition and location at this price. The inputs used to determine replacement cost are consistent with what market participant buyers will pay to acquire or construct a substitute of the plant and machinery of comparable utility. The replacement cost has also been adjusted for obsolescence that market participant buyers will consider.

Description of valuation techniques used and key inputs to valuation of assets and liabilities				
	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Land	Market Comparable Approach	Price per acre	Between Kes 1 million and Kes 30 million	0.5% (2024: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 38.58 million.
Buildings	Market Comparable Approach	Estimated rental value per square meter per month.	Kes 30 per square meter	0.5% (2024: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 5,16 million.
Plant and machinery	Depreciated replacement cost for plant and machinery	Rent growth p.a. Capital expenditure for a model plant at above capacity assuming supply from China.	5% Between Kes 1,358 million and Kes 2,729 million.	0.5% (2024: 0.5%) increase (decrease) would result in an increase/(decrease) in fair value by Kes 65.25 million.

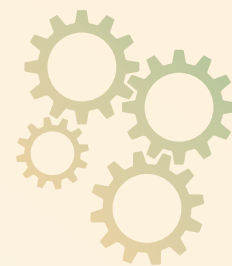
The significant unobservable inputs used in the fair value measurement of the Group and the Company's property and equipment are price per acre, estimated rental value per square meter per month and capital expenditure for a model plant at above capacity assuming supply from China. Significant increases/(decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

38. EVENTS AFTER THE REPORTING DATE

As at the date of approval of these financial statements for issue, there were no material adjusting or non-adjusting events that will require disclosure

39. COUNTRY OF INCORPORATION

The Company is incorporated and domiciled in Kenya under the Kenyan Companies Act, 2015. The ultimate parent of the Group is Amsons Tanzania Ltd, incorporated in Tanzania.



GRI CONTENT INDEX

Statement of Use	Bamburi Cement PLC has reported in accordance with the GRI Standards for the period between 1st January 2023 and 31st December 2023
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI General Disclosures		
GRI 2: General Disclosures	2-1 Organisational details	About Bamburi Cement PLC
	2-2 Entities included in the organisation's sustainability reporting	Our Subsidiaries
	2-3 Reporting period, frequency and contact point	About this report
	2-4 Restatements of information	
	2-5 External assurance	
	2-6 Activities, value chain and other business relationships	About Bamburi Cement PLC
	2-7 Employees	Bamburi Annual Integrated Report
	2-8 Workers who are not employees	Bamburi Annual Integrated Report
	2-9 Governance structure and composition	Our Governance
	2-10 Nomination and selection of the highest governance body	Our Governance
	2-11 Chair of the highest governance body	Our Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Governance
	2-13 Delegation of responsibility for managing impacts	Our Governance
	2-14 Role of the highest governance body in sustainability reporting	Our Governance
	2-15 Conflicts of interest	Our Governance
	2-16 Communication of critical concerns	Code of Business Conduct (Integrity Line) & Speak Up Directive
	2-17 Collective knowledge of the highest governance body	Our Board
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	Our Sustainability Strategy
	2-23 Policy commitments	Our Policies
	2-24 Embedding policy commitments	Our Policies
	2-25 Processes to remediate negative impacts	Our sustainability pillars
	2-26 Mechanisms for seeking advice and raising concerns	Code of Business Conduct (Integrity Line) & Speak Up Directive
	2-27 Compliance with laws and regulations	Business ethics and compliance
	2-28 Membership associations	Stakeholder Groups
	2-29 Approach to stakeholder engagement	Communication mechanisms with our stakeholders
	2-30 Collective bargaining agreements	2022 Integrated Report
GRI 3: Material Topics	3-1 Process to determine material topics	Our materiality assessment process
	3-2 List of material topics	Our material topics

Business Overview

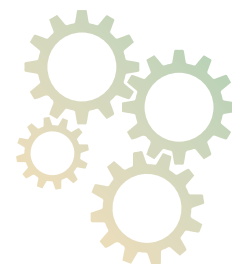
Sustainability Review

Governance

Financial Review

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Infrastructure services supported in 2023
	203-2 Significant indirect economic impacts	Significant indirect economic impacts in 2023
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Material Topic: Sustainable Procurement
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Our Governance
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Business ethics and compliance
GRI 207: Tax	207-1 Approach to tax	
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder engagement
	207-4 Country-by-country reporting	
GRI 301: Materials	301-2 Recycled input materials used	Material Topic Circular Economy
	301-3 Reclaimed products and their packaging materials	Material Topic Circular Economy
GRI 302: Energy	302-1 Energy consumption within the organization	Material topic Climate & Energy
	302-2 Energy consumption outside of the organization	Material topic Climate & Energy
	302-3 Energy intensity	Material topic Climate & Energy
	302-4 Reduction of energy consumption	Material topic Climate & Energy
	302-5 Reductions in energy requirements of products and services	Material topic Climate & Energy
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Material topic Nature and Water
	303-2 Management of water discharge-related impacts	Material topic Nature and Water
	303-3 Water withdrawal	Material topic Nature and Water
	303-4 Water discharge	Material topic Nature and Water
	303-5 Water consumption	Material topic Nature and Water
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Material topic Nature and Water
	304-2 Significant impacts of activities, products and services on biodiversity	Material topic Nature and Water
	304-3 Habitats protected or restored	Material topic Nature and Water
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Material topic Nature and Water



GRI CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Material topic Climate & Energy
	305-2 Energy indirect (Scope 2) GHG emissions	Material topic Climate & Energy
	305-3 Other indirect (Scope 3) GHG emissions	Material topic Climate & Energy
	305-4 GHG emissions intensity	Material topic Climate & Energy
	305-5 Reduction of GHG emissions	Material topic Climate & Energy
	305-6 Emissions of ozone-depleting substances (ODS)	Material topic Climate & Energy
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Material topic Climate & Energy
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Material topic Circular Economy
	306-2 Management of significant waste-related impacts	Material topic Circular Economy
	306-3 Waste generated	Material topic Circular Economy
	306-4 Waste diverted from disposal	Material topic Circular Economy
	306-5 Waste directed to disposal	Material topic Circular Economy
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Material topic Sustainable Procurement
	308-2 Negative environmental impacts in the supply chain and actions taken	Material topic Sustainable Procurement: Environment and Emissions
GRI 401: Employment	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	Social investments and human rights
GRI 402: Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Risk management process
	403-3 Occupational health services	Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5 Worker training on occupational health and safety	Health and Safety
	403-6 Promotion of worker health	Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Health and Safety
	403-9 Work-related injuries	Performance data sheet: Health and Safety
	403-10 Work-related ill health	Performance data sheet: Health and Safety
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Employee Learning and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Development

Business Overview

Sustainability Review

Governance


Financial Review


GRI Standard	Disclosure	Location
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	
	405-2 Ratio of basic salary and remuneration of women to men	Nomination, Remuneration & Human Resources Committee (N,R&HRC)
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Our Governance
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Governance
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Our Governance
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Governance
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Our Governance
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Our Governance
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Community partnerships
	413-2 Operations with significant actual and potential negative impacts on local communities	Community partnerships
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Material Topic Sustainable Procurement
	414-2 Negative social impacts in the supply chain and actions taken	Material Topic Sustainable Procurement
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Material Topic Sustainable Procurement
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Material Topic Sustainable Procurement
GRI 417: Marketing and Labelling	417-1 Requirements for product and service information and labelling	Material Topic Sustainable Procurement
	417-2 Incidents of non-compliance concerning product and service information and labelling	Material Topic Sustainable Procurement
	417-3 Incidents of non-compliance concerning marketing communications	Material Topic Sustainable Procurement
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Material Topic Sustainable Procurement




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