Shri Krishana Overseas PLC

ANNUAL FINANCIAL STATEMENTS AND REPORTS FOR THE YEAR ENDED 31ST DECEMBER 2025



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Shri Krishana Overseas PLC

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COPRATE INFORMATION

Board of Directors

Mr. Sureshkumar H. Patel
Chairman & Independent Non-Executive Director

Dr. Sonvir Singh
Managing Director

Ms. Nirmla Devi
Executive Director

Mr. Bharat Singh
Executive Director

Ms. Alice Wanjiru Mutitu
Independent Non-Executive Director

Mr. Sheth Kumar Harshad
Independent Non-Executive Director

Mr. Muciri Kiambo
Independent Non-Executive Director

Company Secretary

Ms. Jacqueline Rotich, FCPS(K)
Certified Public Secretary

Registered Office
Shri Krishana Overseas PLC
Falcon Road, off Enterprise Road
P.O BOX 6138 – 00100
Nairobi, Kenya
Falcon road, off Enterprise road,
Bomco building

Principal Activity
The principal activity of the Company is the manufacture and supply of corrugated cartons, packaging materials, kraft paper products and related packaging solutions serving the horticulture, floriculture, pharmaceutical, FMCG and industrial sectors within Kenya and the East African region.

Auditors
Parkash Associates
Certified Public Accountants
Nairobi, Kenya

Bankers

The Company's bankers include SBM Bank (Kenya) Ltd, Village Market Branch Nairobi, Kenya. And Diamond Trust Bank Kenya Limited, Nation Centre Branch of P.O. Box 61711 - 00200, Nairobi, Kenya.

Share Registrar

Image Registrars Limited
5th Floor, Absa Towers (formerly Barclays Plaza)
Loita Street P.O. Box 9287 – 00100
Nairobi, Kenya

Legal Advisers

The Company engages external legal advisers from time to time on matters relating to corporate governance, regulatory compliance, commercial transactions and litigation.

With the Consulting law firm being Kamau Kamau & Company Advocates P.O. Box 1300-00200 Nairobi, Kenya.

Stock Exchange Listing

Nairobi Securities Exchange PLC (NSE)
SME Market Segment

Ticker Symbol: **SKL**

Financial Year End

31 December

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 Company and of its financial performance and cash flows for that period.

The Directors are responsible for ensuring that the Company maintains proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure t hat the financial statements comply with International Financial Reporting Standards (IFRS), the Companies Act, 2015 and other applicable regulatory requirements.

In preparing the financial statements, the Directors are required to:

• Select suitable accounting policies and apply them consistently;

• Make judgments and estimates that are reasonable and prudent;

• State whether applicable IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud, error and other irregu rities. They are also responsible for establishing and maintaining effective systems of interna l control and risk management appropriate to the nature, size and complexity of the Company's operations.

The Directors confirm that, to the best of their knowledge, the financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015 and give a true and fair view of the financial position of the Company as at that date and of its financial performance and cash flows for the year then ended.

The Directors further confirm that they have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least the next twelve months from the date of approval of these financial statements.

Approved by the Board of Directors and signed on its behalf by:

Dr. Sonvir Singh



Managing Director

Date: _____

The Directors have pleasure in presenting their Report together with the Audited Financial Statements of Shri Krishana Overseas PLC for the financial year ended 31 December 2025.

Principal Activity

The principal activity of the Company is the manufacture and sale of corrugated cartons, packaging products and related packaging solutions serving diverse sectors including horticulture, floriculture, pharmaceuticals, fast-moving consumer goods (FMCG), agriculture and industrial manufacturing.

Business Review

During the year under review, the Company continued to strengthen its position within Kenya's packaging industry through strategic investments in production capacity, operational efficiency and market expansion.

Revenue increased from KES 309 million in 2024 to KES 351 million in 2025, representing growth of approximately 13.5%. This growth was supported by increased demand across key customer segments and continued expansion of the Company's manufacturing capabilities.

The Company continued to invest in modern production equipment, information technology systems and workforce development while advancing the development of its Kisaju manufacturing facility, a key strategic project expected to significantly enhance production capacity and support future growth.

Despite strong revenue growth, profitability was impacted by higher input costs, increased financing expenses and costs associated with scaling operations and transitioning into a publicly listed company.

Corporate Governance

The Board remains committed to maintaining the highest standards of corporate governance, transparency, accountability and ethical conduct. During the year, the Board continued to provide strategic oversight while ensuring compliance with applicable laws, regulations, the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public and the Company's internal governance framework.

The Board recognizes that sound governance practices are fundamental to sustainable value creation and long-term stakeholder confidence.

Dividend

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 in order to preserve resources for ongoing capital investment and future growth initiatives.

Going Concern

The Directors have assessed the Company's financial position, operating performance and future prospects and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Auditors

The auditors, Parkash Associates, Certified Public Accountants, have expressed their willingness to continue in office in accordance with the provisions of the Companies Act, 2015.

By Order of the Board

Dr. Sonvir Singh



Managing Director

Date: _____

Directors' Remuneration Report

Information subject to audit

The Directors' Remuneration Report has been prepared in compliance with the Company's remuneration policy, Capital Markets Authority Code of Corporate Governance Guidelines on Directors' remuneration and the Companies Act, 2015. The remuneration is reviewed regularly to ensure that it is within the existing market rates. This is done to ensure that individual directors are effective and continue to pursue the business strategy. Performance of each director is evaluated annually and communicated appropriately. All Directors are expected to observe attendance of the board meetings and make valuable contributions depending on each member's area of speciality. The remuneration is disclosed through the publications made by the Company.

During the financial year ended 31st December 2025, no remuneration was paid to the independent and non-executive directors.

Directors' remuneration paid during the year was as per the table below.

Executive Director

	2025 Shs'000	2024 Shs'000
Sonvir Singh	4,800	4,800
Total	**4,800**	**4,800**

Information not subject to audit

The basic pay of the executive director is as per the negotiated employment contract. Other non-cash benefits include medical expenses. Travel and other reasonable expenses (including any associated taxes) incurred in the course of performing SKL Plc official duties are reimbursed.

Independent and non-executive directors' remuneration policy and framework

Non-executive directors are engaged on the basis of a letter of appointment. It is the policy of the Board of directors that independent and non-executive directors are paid sitting allowances but are not eligible to participate in any of the company's bonus, share option or pension schemes.

During the financial year ended 31st December 2025, no remuneration was paid to the independent and non-executive directors.

Approval of the directors' remuneration report

The directors confirm that this report has been prepared in accordance with the Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules and reflects the disclosure requirements under IFRS Accounting Standards.

By order of the Board

Ms. Jacqueline Rotich
Company secretary
22 June 2026

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 Company and of its financial performance and cash flows for that period.

The Directors are responsible for ensuring that the Company maintains proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with International Financial Reporting Standards (IFRS), the Companies Act, 2015 and other applicable regulatory requirements.

In preparing the financial statements, the Directors are required to:

• Select suitable accounting policies and apply them consistently;

• Make judgments and estimates that are reasonable and prudent;

• State whether applicable IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. They are also responsible for establishing and maintaining effective systems of internal control and risk management appropriate to the nature, size and complexity of the Company's operations.

The Directors confirm that, to the best of their knowledge, the financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015 and give a true and fair view of the financial position of the Company as at that date and of its financial performance and cash flows for the year then ended.

The Directors further confirm that they have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least the next twelve months from the date of approval of these financial statements.

Approved by the Board of Directors and signed on its behalf by:

Dr. Sonvir Singh



Managing Director

Date: _____

VISION

At SKL Group, we aspire to be leaders in excellence, delivering beyond the borders of East Africa. Our vision is anchored in satisfying the unique and evolving needs of our customers through innovative, high-quality, and affordable packaging solutions.

MISSION

To deliver innovative, high-quality, and cost-effective packaging solutions. We strive to redefine industry standards by seamlessly combining creativity and superior quality. Beyond meeting immediate packaging needs, we anticipate and innovate, ensuring every solution reflects our commitment to reliability and unparalleled quality. Our three guiding principles are a customer-centric approach, cutting-edge solutions leveraging the latest technologies, and an unwavering commitment to sustainability.

CORE VALUES

Ÿ Crafting Quality Solutions
Ÿ Packaging & Printing
Ÿ Trusted by Diverse Industries, Your Success is Our Success
Ÿ Commitment to Quality and Innovation
Ÿ Sustainability as a Guiding Principle

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Shri Krishana Overseas PLC for the financial year ended 31 December 2025.

The year under review was marked by resilience, strategic investment, and sustained growth despite a challenging operating environment characterized by tight liquidity conditions and rising input costs.

The Company recorded revenue growth of 13.5%, increasing from KES 309 million in 2024 to KES 351 million in 2025. This performance reflects the strength of our customer relationships, increased production capacity, and continued demand across key sectors including horticul- ture, pharmaceuticals, FMCG, dairy, and confectionery.

During the year, the Company continued investing in operational efficiency, production equipment, and digital systems to support long-term scalability and competitiveness. Significant progress was also made on the Kisaju manufacturing project, which remains central to our long-term expansion strategy.

Corporate governance remains a key pillar of our business. The Board remains committed to maintaining high standards of transparency, accountability, ethical leadership, and regulatory compliance in line with the Capital Markets Authority requirements and best governance practices.

As we move into 2026, we remain cautiously optimistic about the future and confident in our strategic direction, operational capabilities, and growth prospects.

On behalf of the Board, I wish to thank our shareholders, customers, employees, regulators, financiers, and business partners for their continued trust and support.

Sureshkumar H. Patel



Chairman

MANAGING DIRECTOR'S REPORT

The year 2025 was transformational for Shri Krishana Overseas PLC as the Company continued to strengthen its position within Kenya's packaging industry.

Revenue increased to KES 351 million from KES 309 million in the previous year, driven by increased market demand and strategic investments in production capacity. Growth was particularly notable during the fourth quarter following installation of additional equipment and operational improvements.

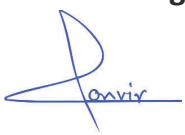
Despite strong revenue growth, the Company experienced margin pressure due to increased raw material costs and changes in tax policy affecting manufacturing input costs.
EBITDA declined from KES 40 million to KES 23 million.

The Company continued implementing strategic investments aimed at positioning the business for long-term growth. This included:
- Investment in production equipment;
- Upgrading internal IT and administration systems;
- Workforce expansion in preparation for increased capacity; and
- Continued development of the Kisaju manufacturing facility.

The Kisaju Project remains a major milestone for the Company and is expected to significantly increase annual production capacity upon commissioning.

We remain focused on operational efficiency, customer satisfaction, sustainability, and innovation as we continue building a scalable and competitive packaging business.

Dr. Sonvir Singh



Managing Director

Shri Krishna Overseas PLC (often branded as SKL or Shri Krishana Overseas PLC) is a Kenyan manufacturing company specializing in corrugated packaging, carton boxes, and related packaging materials. Based in Nairobi, it serves industries including floriculture, horticulture, pharmaceuticals, and fast-moving consumer goods (FMCG). The company gained national attention by becoming one of the newest listings on the Nairobi Securities Exchange (NSE) in 2025 and the first packaging company to join the exchange.

BUSINESS OPERATIONS

SKL manufactures a range of packaging products, including corrugated cartons, die-cut boxes, flower-export packaging, archive boxes, SFK paper, and Kraft paper. The company positions itself as a supplier of packaging solutions for businesses across Kenya and East Africa, with a focus on product protection, logistics efficiency, and sustainable packaging practices.

HISTORY AND GROWTH

The company was founded in 2009 and moved into manufacturing operations in 2014. Over time it expanded from a small enterprise into a significant participant in Kenya's packaging industry. Management has pursued an ambitious growth strategy centered on expanding production capacity through a new manufacturing facility in Kajiado County (Kisaju), intended to support growing demand from export-oriented and consumer-goods sectors.

NSE LISTING

A major milestone came in July 2025 when SKL listed 50.5 million shares on the SME segment of the Nairobi Securities Exchange through a listing by introduction. The listing was notable because it was the first new NSE listing since 2020 and the first packaging company to be listed on the exchange.
The move was designed to improve visibility, provide liquidity for shareholders, and support future growth initiatives.

RECENT FINANCIAL AND STRATEGIC CONTEXT

The company reported revenue growth in 2025 but also faced profitability pressure from expansion costs, financing expenses, and higher operating costs associated with scaling production and being a listed company. Much of its current strategy revolves around increasing manufacturing capacity and capturing a larger share of Kenya's growing packaging market.

Item	Details
Industry	Packaging & Corrugated Cartons
Founded	2009
Headquarters	Nairobi, Kenya
NSE Ticker	SKL
Main Products	Corrugated boxes, carton packaging, Kraft paper, SFK paper
Primary Markets	Floriculture, horticulture, pharmaceuticals, FMCG
Listed on NSE	July 2025

MACROECONOMIC OVERVIEW

Kenya's macroeconomic environment remained relatively stable during 2025 supported by:

- Moderate inflation
- Stable exchange rates
- Improved agricultural performance
- Recovery in exports
- Continued policy support for local manufacturing.

However, liquidity constraints across the market affected working capital cycles and slowed cash conversion across the manufacturing sector

INDUSTRY OVERVIEW



KENYA PACKAGING INDUSTRY

The packaging industry continues to play a vital role in:

- Product protection;
- Branding and marketing;
- Supply chain efficiency;
- Sustainability initiatives; and
- Export competitiveness.

Key industry drivers include:

- FMCG expansion;
- Growth in horticulture exports;
- Sustainable packaging demand;
- Government manufacturing incentives; and
- Increased regional trade opportunities.

COMPANY OVERVIEW

Shri Krishana Overseas PLC is a leading corrugated carton manufacturer based in Nairobi's Industrial Area with over a decade of experience in packaging solutions.

The Company manufactures:

- 3-ply cartons
- 5-ply cartons
- SFK - Rolls

CARTON PRODUCTS

Corrugated shipping boxes, Die-cut cartons, Pizza boxes, Fruit and vegetable cartons, Export cartons, Heavy-duty industrial cartons, Archive and storage boxes, Food & Beverage Packaging, Beverage carrier cartons, Milk and juice cartons, Bakery packaging boxes, Fast-food takeaway boxes, Food trays and sleeves, Egg cartons, Consumer Goods Packaging, Soap and detergent boxes, Cosmetic and personal care cartons,Pharmaceutical cartons, Electronics packaging boxes,Household product cartons,Gift and promotional boxes Industrial Packaging, Partitions inserts and dividers, Protective packaging inserts, Pallet display cartons, Point-of-sale (POS) display, units Corrugated sheets and boards, Printing & Branding Services, Custom printed cartons, Branded packaging boxes, Labels and packaging sleeves, Promotional display stands.

INDUSTRIES SERVED

- **Floriculture**
- **Rsc**
- **Herbs**
- **Fruits & Vegetables**
- **Pharmaceuticals**
- **FMCG**

OPERATIONAL REVIEW

PRODUCTION CAPACITY

Current annual production stands at:

3,000 Metric Tonnes

Projected post-Kisaju expansion:

22,000 Metric Tonnes

FINANCIAL HIGHLIGHTS

Indicator	2025	2024
Revenue	KES 351M	KES 309M
Gross Profit	KES 87.8M	KES 97.8M
Operating Profit	KES 23.1M	KES 40.5M
Profit After Tax	KES 4.1M	KES 10.1M
Total Assets	KES 223.4M	KES 146.1M
Shareholder Equity	KES 73.1M	KES 68.9M

SOURCE . AUDITED FINANCIAL STATEMENTS 2025





BOARD OF DIRECTORS

BOARD COMPOSITION

- Sureshkumar H Patel
  Chairman & Independent Director
- Dr. Sonvir Singh
  Managing Director
- Nirmla Devi
  Executive Director
- Mr. Bharat Singh
  Executive Director
- Alice Wanjiru Mutitu
  Independent Non-Executive Director
- Sheth Kumar Harshad
  Independent Non-Executive Director
- Muciri Kiambo
  Independent Non-Executive Director
- Ms. Jacqueline Rotich
  Company Secretary

The Board remains committed to maintaining the highest standards of governance, transparency, accountability, and ethical leadership.

BOARD COMMITTEES

- Audit & Risk Committee
- Finance & Human Resources Committee
- Business Development & Strategy Committee

GOVERNANCE POLICIES

- Board Charter
- Code of Ethics and Conduct
- Conflict of Interest Policy
- Board Diversity Policy
- Nominations and Appointment Policy
- Human Resource & Remuneration Committee
- Data Protection Policy
- Environmental Policy

RISK MANAGEMENT

RISK MITIGATION	MITIGATION
Regulatory Risk	Ongoing compliance monitoring
Market Risk	Diversification and customer retention
Political Risk	Strategic monitoring
Operational Risk	Strong internal controls
Competition	Innovation and customer focus









The Company continues integrating ESG principles into operations through:

- Sustainable packaging initiatives
- Waste reduction
- Recycling awareness
- Ethical governance
- Employee well-being
- Community engagement.

SHAREHOLDER INFORMATION

SHAREHOLDING STRUCTURE

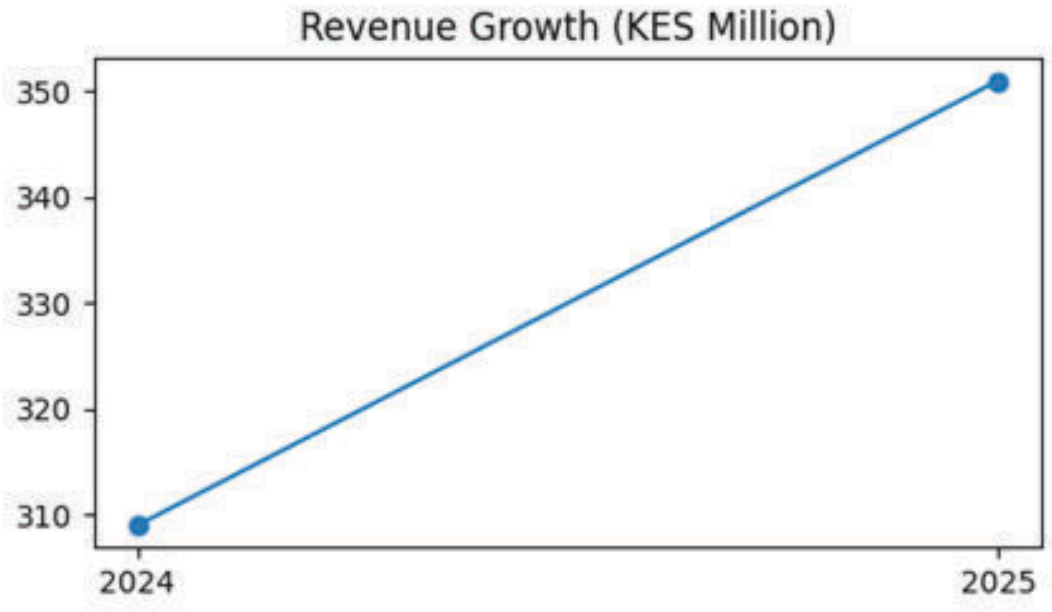
- Public/retail shareholding significantly increased;
- Promoter/insider concentration reduced;
- Nirmla Devi remaining as the principal shareholder;

The Company remains optimistic regarding:

- Increased production capacity
- Regional market growth
- Manufacturing sector opportunities
- Sustainable packaging demand and
- Operational efficiency improvements.

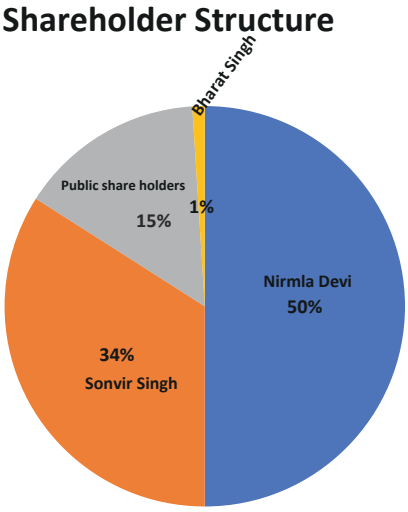
The commissioning of the Kisaju facility is expected to significantly strengthen the Company's market position and production capabilities.

Executive Dashboard



Shareholder Structure

Nirmla Devi: 25,250,000 shares (50.00%)
Sonvir Singh: 17,185,150 shares (34.03%)
Public Shareholders: 7,559,850 shares (14.97%)
Bharat Singh: 505,000 shares (1.00%)



As at 31 December 2025, the Board comprised Seven (7) Directors consisting of:

- Independent Non-Executive Directors;
- Non-Executive Directors; and
- Executive Directors.

The Board composition reflects an appropriate balance of skills, professional experience, industry expertise, diversity, independence, and business acumen necessary for effective oversight and strategic leadership.

THE DIRECTORS DURING THE YEAR UNDER REVIEW WERE

BOARD PROFILES



SURESHKUMAR H. PATEL

Sureshkumar H. Patel

Chairman & Independent Non-Executive Director

Mr. Suresh Patel, an accomplished professional with four decades of experience in the agriculture sector, is the founder and Managing Director of Sai Industries, a Nairobi-based company that manufactures polythene sheets and printed bags. Mr. Patel was previously the marketing manager of Elgon Kenya for 27 years.

Mr. Patel is also a dedicated philanthropist and has played a pivotal role in community leadership, having served as the Chairman of the Patel Brotherhood in Nairobi and currently as the Vice Chairman Of Hindu council of kenya

BOARD PROFILES



Dr. Sonvir Singh

Managing Director

Dr. Sonvir Singh is an entrepreneur, engineer, and the current Managing Director and co-founder of SKL. He is also the co-founder and CEO of SKL Shoes.
Dr. Sonvir has over 30 years of experience in packaging and printing solutions and has pioneered the use of innovative packaging solutions for the Kenyan market.

He was the first to introduce UV printing, widely used in the FMCG sector. In 2009, he founded Shri Krishana Overseas PLC, a leading corrugated carton manufacturing company, with a mission to redefine industry standards through quality and excellence.

Previously Dr. Sonvir headed Elgon Kenya's packaging division where he was pivotal in identifying and introducing packing solutions for the horticultural and flower sector.

Under his leadership, the company has achieved remarkable growth, expanded its capabilities and established itself as a key player in the market. Dr. Singh's deep understanding of the industry and unwavering dedication have been the driving forces behind the company's rapid success and continued innovation. As a leader in the printing and packaging manufacturing industry, He, committed to delivering innovative, durable, and sustainable packaging solutions. By prioritizing quality, cost effectiveness, efficiency, and eco-friendly practices, we aim to meet customer needs while supporting a greener future.

Dr. Sonvir's dedication extends beyond SKL. He is the Hindu Council of Kenya vice chairman and chairs the Rajasthan Association of Kenya. He has spearheaded impactful corporate social responsibility initiatives including nationwide tree planting, water, and food distribution programs. These efforts have improved lives and livelihoods in communities, with the tree-planting project earning recognition from former President Uhuru Kenyatta.

BOARD PROFILE



Ms. Nirmla Devi

Executive Director

Founder finance Director & Visionary Entrepreneur Nirmla Devi relocated from India to Kenya in 2007, bringing with her a wealth of academic achievements, including a Master's Degree in Computer Science, a Bachelor's Degree in Science, and a Diploma in Finance and Accounting.

In 2009, she founded Shri Krishana Overseas PLC, spearheading its journey to success. Through hard work, strategic vision, and dedicated leadership, she shaped the company's financial strength and overall direction. Her ability to review outcomes and guarantee success has been instrumental in securing a prosperous future for the company and its partners. "Success is not permanent & failure is not final. Never stop working after success and never stop working after failure



Bharat Singh

Executive Director

Bharat Singh is an experienced printing and packaging professional with extensive knowledge of printing processes, packaging production, quality control, and customer service. He is skilled in coordinating production schedules, managing packaging materials, ensuring product quality standards, and optimizing operational efficiency.

He has worked with Shri Krishana Overseas PLC, Label Converters Ltd in Nairobi Kenya, Maharshi Label Manufacturer in Ahmedabad India, Packman – CCL Dubai and LK Garments LLC Sharjah UAE.

He has a diploma in printing technology from India.

BOARD PROFILE

Alice Wanjiru Mutitu – Independent

Non-Executive Director



Ms. Alice Wanjiru Mutu is an accomplished human resource professional. She has over sixteen years of experience in strategic human resource management in the manufacturing, construction, and information technology solutions industries.

Shehas managed diverse workforces of over two thousand employees. She has mainlybeen involved in developing and implementing organizations' strategic humanresource plans in line with the general organization strategy, as well asserving as the human resource advisor in the organization strategy meetings andoverseeing general human resource compliance.

She currently works for the Doshi Group. She has previously worked for Sasini Group, Ramco Group, Seven Seas Technologies and other organizations.
She has a Master of Science in Human Resources from the Jomo Kenyatta University of Science and Technology.

Sheth Kumar Harshad – Independent

Non-Executive Director



Mr. Kumar Harshad Sheth is an entrepreneur, business strategist, and accomplished finance professional with extensive leadership experience across diverse industries.
He is the Founder and CEO of Food for Soil Africa Limited, an enterprise born out of his passion for regenerative agriculture, soil health, and sustainable organic farming systems. He is also the Co-Founder and Managing Director of IM Consulting Services, which delivers comprehensive corporate solutions across financial advisory, accounting, auditing, taxation, profitability planning, and business turnaround strategy.

A Chartered Accountant by profession, Mr. Sheth previously served as Financial Controller for prominent regional organizations, including Platinum Packaging, Revital Healthcare, and Topen Industries. He began his career in financial management as the Manager of Banking Services at Kirtane & Pandit Chartered Accountants (India). His deep expertise in risk management, corporate governance, and fiscal strategy adds robust oversight capabilities to the Board.

BOARD PROFILES



Muciri Kiambo

Independent Non-Executive Director

Mr. Muchiri Kiambo is an entrepreneur and a financial analyst. He is currently the founder of African Herbal Ingredient Wholesalers Ltd which focuses on sourcing and export of various aromatic tree resins sourced sustainably from arid areas in Kenya, Somali land and Southern Ethiopia. Previously he served as a Director and Lead Consultant at Mercantile & Projects Limited. His earlier career included roles as General Manager at Nairobi Business Ventures and a Partner at Afrograins EA.

He also has a rich history in banking where he worked for NIC Bank, CFC Bank, Ecobank in various roles including at United Bank for Africa, Uganda Ltd where he was the Head, Corporate & Energy Banking – Wholesale Banking. He has a Master of Business Administration from Strathmore University.

The Board of Directors of Shri Krishana Overseas PLC ("the Company" or "SKL") recognizes that effective corporate governance is fundamental to sustainable business success, long-term value creation, investor confidence, and stakeholder trust.

CORPORATE GOVERNANCE STATEMENTS

1. BOARD LEADERSHIP AND GOVERNANCE FRAMEWORK

The Company is committed to maintaining high standards of corporate governance as a foundation for sustainable growth, accountability, and long-term value creation. The Board provides strategic leadership and oversight while ensuring that the Company operates in accordance with applicable laws, regulations, and governance best practices.

To promote an appropriate balance of authority, accountability, and independent oversight, the roles of Chairman and Managing Director are separated and clearly defined. The Chairman provides leadership to the Board, promotes effective governance practices, and facilitates constructive engagement among Directors to ensure the Board functions effectively. The Managing Director is responsible for the day-to-day management of the Company, implementation of strategy, operational performance, and leadership of the management team.

The Board retains ultimate responsibility for setting the strategic direction of the Company and overseeing its overall performance. Key responsibilities include approving business plans and budgets, overseeing risk management and internal controls, ensuring the integrity of financial reporting, monitoring compliance with legal and regulatory obligations, overseeing succession planning, and safeguarding shareholder interests and Company assets.

2. BOARD MEETINGS AND EFFECTIVENESS

The Board meets regularly in accordance with an approved annual work plan and schedule, with additional meetings convened as necessary to address urgent matters and strategic opportunities. Directors receive timely and comprehensive information before meetings to facilitate informed discussions and effective decision-making.

The Board maintains a transparent and structured process for conducting its affairs, with detailed minutes documenting deliberations, resolutions, and agreed action points. This process promotes accountability and supports effective follow-up on Board decisions.

3. BOARD COMMITTEES

To enhance the efficiency and effectiveness of its oversight responsibilities, the Board operates through specialized Committees with clearly defined Terms of Reference approved by the Board. These Committees assist the Board by undertaking detailed reviews of matters within their respective mandates and reporting their findings, recommendations, and decisions to the Board on a regular basis.
The Audit and Risk Committee support the Board in overseeing financial reporting, internal control systems, risk management processes, compliance monitoring, and the effectiveness of both internal and external audit functions. The Committee operates independently and meets regularly throughout the year to discharge its responsibilities.

The Finance and Human Resources Committee assists the Board in overseeing the Company's financial performance, budgetary controls, human capital management, succession planning, staff welfare, remuneration matters, and organizational structure. Through its oversight role, the Committee supports the achievement of sustainable business performance and organizational effectiveness.

The Business Development and Strategy Committee supports the Board in evaluating strategic initiatives, business expansion opportunities, capital investment proposals, market positioning, and long-term growth prospects. The Committee plays an important role in ensuring that the Company remains focused on creating sustainable value for shareholders.

4. DIRECTOR INDUCTION AND CONTINUOUS DEVELOPMENT

The Company recognizes that effective governance requires knowledgeable and well-informed Directors. Newly appointed Directors undergo a formal induction program designed to provide a comprehensive understanding of the Company's operations, governance framework, strategic priorities, and regulatory obligations.

In addition, Directors are encouraged to participate in continuous professional development programs to enhance their governance, financial, regulatory, and industry knowledge. This commitment to ongoing learning supports effective Board decision-making and strengthens the Board's collective capabilities.

5. BOARD EVALUATION

The Board acknowledges the importance of periodic performance evaluations in enhancing effectiveness and promoting continuous improvement. The Board periodically reviews its composition, skills mix, governance structures, committee effectiveness, decision-making processes, and overall performance.

The Company remains committed to institutionalizing formal Board evaluations in line with applicable governance requirements and emerging best practices to ensure the Board continues to operate effectively and deliver value to stakeholders.

6. COMPANY SECRETARY

The Company Secretary plays a critical role in supporting the Board in the discharge of its governance responsibilities. The Company Secretary ensures compliance with statutory and regulatory requirements, facilitates the proper conduct of Board and Committee meetings, maintains statutory records, and promotes effective communication with stakeholders.

The Company Secretary also serves as a trusted adviser to the Board on governance matters and developments in relevant laws, regulations, and governance standards.

7. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognizes its responsibility for establishing and maintaining effective systems of risk management, internal control, and compliance monitoring. The Company adopts a risk-based approach to identifying, assessing, monitoring, and mitigating strategic, operational, financial, regulatory, and emerging risks that may affect the achievement of its objectives.

Management provides regular reports to the Board and the Audit and Risk Committee on the Company's risk profile, key risk exposures, and mitigation measures. This framework supports informed decision-making and enhances organizational resilience.

8. ETHICS, INTEGRITY AND COMPLIANCE

The Company is committed to conducting its business with the highest standards of ethics, integrity, and professionalism. To support this commitment, the Board has adopted a comprehensive governance framework that includes key policies such as the Board Charter, Code of Conduct and Ethics, Whistleblowing Policy, Risk Management Policy, Stakeholder Communication Policy, Board Diversity Policy, Board Nomination and Appointment Policy, and Board Remuneration Policy.

The Company maintains a zero-tolerance approach to fraud, corruption, bribery, discrimination, and all forms of unethical conduct. Employees, Directors, and stakeholders are encouraged to uphold these principles in all interactions and business activities.

9. STAKEHOLDER ENGAGEMENT

The Board recognizes that effective stakeholder engagement is essential to long-term business success. The Company maintains constructive relationships with shareholders, regulators, employees, customers, suppliers, lenders, and local communities.

The Board remains committed to transparent communication and the timely disclosure of material information, ensuring that stakeholders receive accurate, balanced, and relevant information regarding the Company's performance and activities.

10. SUSTAINABILITY AND ESG GOVERNANCE

The Board recognizes that Environmental, Social, and Governance (ESG) considerations are integral to sustainable value creation and long-term business resilience. Accordingly, sustainability principles are incorporated into the Company's strategic planning processes, risk management framework, operational decision-making, and stakeholder engagement activities.

The Company's ESG priorities include responsible resource utilization, employee well-being, ethical business practices, community engagement, and strong governance. Through these initiatives, the Company seeks to create positive economic and social impact while maintaining sound governance practices.

11. REGULATORY COMPLIANCE

During the year under review, the Company substantially complied with the requirements of the Companies Act, 2015, the Capital Markets Authority regulations, the Nairobi Securities Exchange listing requirements, and other applicable governance guidelines.

The Board remains committed to continuously strengthening the Company's governance structures, compliance systems, and internal controls to ensure alignment with evolving regulatory requirements and stakeholder expectations.

CONCLUSION

The Board remains steadfast in its commitment to the highest standards of corporate governance, accountability, transparency, and ethical leadership. Through effective oversight, prudent risk management, and responsible stewardship, the Company seeks to protect stakeholder interests, enhance organizational performance, and create sustainable long-term value for its shareholders and other stakeholders.

Shri Krishana Overseas Plc
Company information
For the year ended 31st December 2025

Board of directors	Nirmla Devi Sonvir Singh Bharat Singh
Company secretary	Ms. Jacqueline Rotich Absa Towers, 5th Floor P.O. Box 9287- 00100 Nairobi, Kenya
Registered office	P.O BOX 6138 - NAIROBI - KENYA **Telephone:** +254 723 990 046, Email: info@skl.co.ke **County:** Nairobi, **District:** Embakasi District Street: Falcon Road, Off Enterprise Road, **Building:** Bomco Building
Independent auditor	Parkash Associates Certified Public Accountants II Floor, Ambaji House, Dar-es-Salaam Road, Industrial Area, P.O. Box 18727 - 00500 Nairobi, Kenya.
Principal banker	SBM Bank (Kenya) Ltd Village Market Branch Nairobi, Kenya. Diamond Trust Bank Kenya Limited Nation Centre Branch P.O.Box 61711 - 00200, Nairobi, Kenya.
Legal adviser	Kamau Kamau & Company Advocates PO BOX 1300-00200 Nairobi, Kenya

Shri Krishana Overseas Plc
Report of the directors
For the year ended 31st December 2025

The directors submit their report together with the audited financial statements for the year ended 31st December 2025.

Incorporation
The Company is domiciled in Kenya where it is incorporated as a private company limited by shares under the Kenyan Companies Act. The address of the registered office is set out on page 1.

Directorate
The directors who held office during the year and to the date of this report are set out on page 1.

Principal activities
The principal activity of the Company is that of manufacturing of corrugated boxes.

Recommended dividend
The directors do not recommend the declaration of a dividend for the year (2024: Nil).

Business review
Macroeconomic and sectoral fundamentals remain broadly supportive for the packaging industry, with stable foreign exchange conditions, improved political stability, favourable weather patterns, and continued policy emphasis on local manufacturing.
However, the operating environment has been affected by tight liquidity in the domestic market, driven by delayed payments across the value chain and cautious spending by manufacturers. While order volumes remain steady, slower cash conversion cycles have moderated the pace of growth and required heightened focus on working-capital management as well as risk management.
During the year under review, SKL PLC continued to make strong progress in its core business of manufacturing corrugated boxes for a broad range of clients across various sectors. The Company had a strong 2025 which was generally characterised by strong growth. In each quarter, SKL outperformed the corresponding quarter of 2024 with the bulk of the growth coming in the fourth quarter.
SKL made some key investments in equipment that improved capacity where it was able to immediately take advantage of. This saw a significant jump in revenues in the fourth quarter of 2025. SKL also made an investment in IT systems that will help it improve its administration which is critical for the next stage of growth. In addition, SKL also started hiring in preparation of the additional capacity that is expected to come on
Revenue grew by 13.5%, from KES 309 million in 2024 to KES 351 million in 2025. However, SKL faced a margin squeeze thanks to changes in tax policy causing gross profit to decrease by 10%, reducing from KES 97 million to KES 87 million due to increase in cost ofinput. EBITA reduced by 43%, from KES 40 million in the prior year to KES 23 million attributed majorly to costs related to being publicly listed in addition to the aforementioned margin squeeze. Cash flow management was notably less strong during the year. Cashflow was impacted by increased receivables, increase in VAT input and, increased inventory holding which was done to take advantage of emerging opportunities and investment in the new project which is progressively consuming additional capital.

Outlook
The Company continues to monitor developments in the Middle East and the impact it is having, now and in the future, on the business.
The Company will continue to pursue strategic initiatives to take advantage of emergent opportunities. It will continue to aggressively market itselfin available fora such as trade exhibitions across the East Africa region, enhancing brand visibility and market reach. SKL's long-standing presence and strong relationships with existing clients position the Company well for future growth.
SKL currently enjoys demand from key sectors—including herbs, dairy, edible oils, pharmaceuticals, and sugar & confectionery which continues to grow.
The first quarter of 2026 was encouraging as the growth trend continued and the company is cautiously optimistic that this trend will continue for the reminder of the year. SKL continues to monitory the impact of the developments in the middle e

Kissaju Project
Construction of the Company's new manufacturing plant is progressing well although it is running behind schedule. It is however expected to commence from the third quarter of 2026. As of year-end 2025, capital work in progress stood at KES 131.9 million, the project continues to be supported in part by a long-term loan facility of KES 117.9 million.

Statement as to disclosure to the Company's auditor
With respect to each director at the time this report was approved:
(a) there is, so far as the director is aware, no relevant audit information of which the Company's auditor is unaware; and
(b) the director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Terms of appointment of the auditor
The directors approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 300,000 has been charged to profit or loss in the year.

By order of the board

……
Director

Nairobi ……..……..…….. 2026

Shri Krishana Overseas Plc
Statement of directors' responsibilities
For the year ended 31st December 2025

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and ofits profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose, with reasonable accuracy, the financial position of the 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.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act. They also accept responsibility for:

i) designing, implementing and maintaining 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 Company'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 Company'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 …….. 2026 and signed on its behalf by:



…….. ……..
Director Director

PARKASH ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

2ND FLOOR, AMBAJI HOUSE
DAR-ES-SALAM ROAD, INDUSTRIAL AREA,
P O BOX - 18727-00500, NAIROBI

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF SHRI KRISHANA OVERSEAS PLC

Opinion

We have audited the accompanying financial statements of Shri Krishana Overseas PLC (the Company), set out on pages 6 to 29, which comprise the balance sheet as at 31st December 2025, the profit and loss account and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, including material accounting policy information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2025 and ofits financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act.

Basis for opinion

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

Other information

The directors are responsible for the other information. Other information comprises the information in the reports accompanying the Annual Financial Statements, other than our auditor's report thereon.

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

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

Directors' responsibility for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF SHRI KRISHANA OVERSEAS PLC (CONTINUED…)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other matters prescribed by the Kenyan Companies Act

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Kartik Radhakrishnan, Practising Certificate No. 1518.

For and on behalf of
Parkash Associates
Certified Public Accountants
Nairobi

April 30, 2026

UNIQUE CODE: 21093260430

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	2025 KSh	2024 KSh
Revenue	5	351,093,966	309,864,386
Cost of sales	6	(263,270,426)	(212,074,621)
Gross profit		87,823,540	97,789,765
Other income	7	0	2,601,673
Sales and marketing costs		(2,492,751)	(1,838,444)
Administrative expenses		(36,338,378)	(32,779,439)
Establishment expenses		(25,842,065)	(25,248,974)
Operating profit		23,150,346	40,524,581
Finance costs	8	(14,830,004)	(20,965,620)
Profit before tax	9	8,320,342	19,558,961
Tax income	10	(4,183,171)	(9,383,777)
Profit for the year		4,137,171	10,175,184
Earnings per share		4.10	10.07

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2025

Shri Krishana Overseas Plc
Financial statements
For the year ended 31st December 2025

BALANCE SHEET AT 31ST DECEMBER 2025

	Note	2025 KSh	2024 KSh
EQUITY			
Ordinary share capital	11	10,100,000	10,100,000
Revaluation surplus	11	38,955,302	38,955,302
Accumulated profts		24,002,542	19,865,371
Total equity		73,057,844	68,920,673
Non-current Liability			
Borrowings	16	120,000,557	71,884,251
Deferred tax	17	3,606,765	853,597
		123,607,322	72,737,848
		196,665,166	141,658,521
REPRESENTED BY			
Non-current assets			
Equipment	12	198,185,095	120,624,337
Right-of-use of assets	14	25,227,222	25,504,444
		223,412,317	146,128,781
Current assets			
Inventory	18	62,469,885	24,238,300
Trade and other receivables	19	164,129,456	124,104,427
Cash at bank and in hand	20	7,225,241	2,331,086
Current tax receivable		715,701	715,701
		234,540,283	151,389,514
Current liabilities			
Trade and other payables	21	213,867,871	112,690,752
Borrowings	16	42,371,333	35,986,859
Current tax payable		5,048,229	7,182,164
		261,287,433	155,859,775
Net current assets		(26,747,150)	(4,470,261)
		196,665,166	141,658,521

The financial statements on pages 6 to 29 were approved for issue by the board of directors on ..... 2026 and were signed on its behalf by:

....
Director Director

BALANCE SHEET AT 31ST DECEMBER 2025

Shri Krishana Overseas Plc
Financial statements
For the year ended 31st December 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	Ordinary share capital KSh	Revaluation Reserve KSh	Accumulated profits KSh	Total KSh
At 1st January 2024		10,100,000	38,955,302	9,690,187	58,745,489
Shares issued		-	-	-	-
Profit for the year		-	-	10,175,184	10,175,184
At 31st December 2024		10,100,000	38,955,302	19,865,371	68,920,673
At 1st January 2025		10,100,000	38,955,302	19,865,371	68,920,673
Shares issued	11	-	-	-	-
Profit for the year		-	-	4,137,171	4,137,171
At 31st December 2025		10,100,000	38,955,302	24,002,542	73,057,844

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	2025 KSh	2024 KSh
Cash flows from operating activities			
Profit for the year		4,137,171	10,175,184
Adjustments for:			
Tax income	10	4,183,171	9,383,777
Depreciation of equipment	12	9,510,397	7,876,656
Asset write-off	12	-	141,827
Depreciation of right-of-use assets	14	277,222	277,222
Interest expens	8	14,791,274	14,569,803
Operating profit/(loss) before working capital changes		32,899,236	42,424,469
Increase in:			
Inventories		(38,231,585)	1,947,345
Other receeivables		(40,025,029)	17,324,222
Increase in:			
Trade and other payable		101,177,119	(40,005,826)
Cash generated generated from/(used in) operations		55,819,741	21,690,210
Interest expense		(14,791,274)	(14,569,803)
Income tax paid		(3,563,937)	(6,069,041)
Net cash used in operating activities		37,464,529	1,051,366
Cash flows from investing activities			
Purchase of equipment	12	(87,071,156)	(79,399,695)
Additions of right of use asset	14	-	(100,000)
Net cash used in investing activities		(87,071,156)	(79,499,695)
Cash flows from financing activities			
Proceeds from issue of new shares		-	0
Movement of borrowings	16	54,500,781	75,029,355
Net cash generated from financing activities		54,500,781	75,029,355
Net (decrease)/increase in cash and cash equivalents		4,894,163	(3,418,974)
Cash and cash equivalents at start of year		2,331,078	5,750,052
Cash and cash equivalents at end of year	20	7,225,241	2,331,078

NOTES

1. General information

Shri Krishana Overseas Limited (the "Company") is domiciled in Kenya where it is incorporated under the Kenyan Companies Act, as a private company limited by shares. The address ofits registered office and its principal place of business is LR.209/1563/2,Dev. House Rumi Road, South C, P.O. Box 6138 - 00100 Nairobi, Kenya. The principal activity of the Company is that of manufacturing of corrugated boxes.

2. Material accounting policy information

The accounting policy information considered material in the preparation of these financial statements is set out below:

a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. They are presented in Kenyan Shillings, which is also the functional currency.

The financial statements comprise a profit and loss account (statement of profit or loss), balance sheet (statement offinancial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses are recognised in the profit and loss account. Transactions with the owners of the Company in their capacity as owners are recognised in the statement of changes in equity.

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the material accounting policy information summarised below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

For those assets and liabilities measured at fair value, 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. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:
• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).
• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

NOTES (CONTINUED)

2. Material accounting policy information (continued)

b) New and revised standards

i) Adoption of new and revised standards

One amendment to Standards became effective for the first time in the financial year beginning 1st January 2025 and have been adopted by the Company.

None of the amendments have had a material impact on the Company's financial statements.

b) New and revised standards (continued)

ii) New and revised standards that have been issued but are not yet effective

The Company has not applied any of the new or revised Standards that have been published but are not yet effective for the year beginning 1st January 2025, and the Directors do not plan to apply any of them until they become effective. Note 24 lists all such new or revised standards and interpretations, with their effective dates and expected impact.

c) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Company operates), which is Kenya Shillings.

Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the profit and loss account in the year in which they arise.

d) Revenue recognition

Revenue from sale of products is recognised by reference to the period in which the product is delivered to the customer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the Government of Kenya.

e) Other income

Interest income is recognised on a time proportion basis using the effective interest method. Once a financial asset is identified as credit-impaired (see Note 4(a)(i)), the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

f) Borrowing costs

Borrowing costs, net of any temporary investment income on those borrowings, that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the asset. The net borrowing cost capitalised is either the actual borrowing cost incurred on the amount borrowed specifically to finance the asset; or in the case of general borrowings, the borrowing cost is determined using the overall weighted average cost of the borrowings on all outstanding borrowings during the year less any specific borrowings directly attributable to the asset and applying this rate to the borrowing attributable to the asset. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

g) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax

Current tax is the amount ofincome tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

h) Ordinary share capital, preference share capital and share premium

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value is classified as 'share premium' in equity.

i) Financial instruments

Initial recognition

Financial instruments are recognised when, and only when, the Company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

i) Financial instruments (continued)

Classification

The Company classifies its financial instruments into the following categories:

i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost; and

ii) All other financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions and trade and other receivables were classified as at amortised cost; and
- Borrowings and trade and other liabilities were classified at amortised cost.

Initial measurement

On initial recognition:

i) Trade receivables are measured at their transaction price.
ii) All other categories offinancial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition.

Subsequent measureme

Financial assets and financial liabilities after initial recognition are measured either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification.

Interest income exchange gains and losses on monetary items are recognised in profit or loss.

Fair value is determine as set out in Note 2(a). Amortised cost is the amoun at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

i) Financial instruments (continued)

Impairment

The Company recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence ofimpairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion oflifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities ofless than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

j) Leases

Leases under which the Company is the lessee

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

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

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

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

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

All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

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

k) Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

l) Post-employment benefit obligations

The Company and its employees contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the profit and loss account in the year to which they relate.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

m) Property and equipment

All categories of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that it will increase the future economic benefits associated with the item that will flow to the Company over those originally assessed and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit and loss account in the year in which they are incurred.

Depreciation is calculated using the straight line method to write down the cost amount of each asset to its residual value over its estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

n) Intangible assets

Software licence costs and computer software that are not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production ofidentifiable computer software products controlled by the Company are recognised as intangible assets. Amortisation is calculated using the straight line method to write down the cost of each licence or item of software to its residual value over its estimated useful life.

o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out (FIFO) method. The Company only have fuel as inventory. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

p) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES (CONTINUED)

3. Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Company, the directors make certain judgements and estimates that may affect the amounts recognised in the financial statements. Such judgements and estimates are based on historical experience and other factors, including expectations offuture events that are believed to be reasonable under the current circumstances. However, actual results may differ from those estimates. The judgements and estimates are reviewed at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available, and any revisions to such judgements and estimates are recognised in the year in which the revision is made.

a) Significant judgements made in applying the Company's accounting policies

The judgements made by the directors in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

i) Whether it is probable that future taxable profits will be available against which temporary differences can be utilised (see Note 17);
ii) whether credit risk on financial assets has increased significantly since initial recognition; and
iii) how to determine the incremental borrowing rate used in the discounting of lease liabilities.

b) Key sources of estimation uncertainty

Key assumptions made about the future and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

i) Useful life of property and equipment
Critical estimates are made by management in determining depreciation rates and timing of capitalisation of the assets.

4. Nature and extent of risks arising from financial instruments

a) Financial risk management

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

i) Credit risk and expected losses

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

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

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

a) Financial risk management (continued)

i) Credit risk and expected losses (continued)

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

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

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

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

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

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

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

Basis for measurement of loss allowance	12-month expected credit losses	Lifetime expected credit losses (see note below)			
		(a)	(b)	(c)	Total
	KSh	KSh	KSh	KSh	KSh
At 31st December 2025					
Other receivables	123,196,420	40,707,656	-	-	163,904,076
Cash and cash equivalents	7,225,241	-	-	-	7,225,241
Gross carrying amount	130,421,661	40,707,656	-	-	171,129,316
Loss allowance	-	-	-	-	-
Exposure to credit risk	130,421,661	40,707,656	-	-	171,129,316

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

a) Financial risk management (continued)

i) Credit risk and expected losses (continued)

Basis for measurement of loss allowance	12-month expected credit losses	Lifetime expected credit losses (see note below)			Total
		(a)	(b)	(c)	
	KSh	KSh	KSh	KSh	KSh
At 31st December 2024					
Other receivables	73,460,323	49,636,014	-	-	123,096,337
Cash and cash equivalents	2,331,086	-	-	-	2,331,086
Gross carrying amount	75,791,409	49,636,014	-	-	125,427,423
Loss allowance	-	-	-	-	-
Exposure to credit risk	75,791,409	49,636,014	-	-	125,427,423

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

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

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The company manages liquidity risk by continuously reviewing forecasts and actual cash flows, and on its related parties within the group to cover any shortfalls.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities The amounts disclosed are the contractual undiscounted cash flows.

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

a) Financial risk management (continued)

ii) Liquidity risk (continued)

	Less than one month KSh	Between 1-3 months KSh	Between 3-12 months KSh	Over 1 year KSh
31st December 2025				
Trade and other payables	2,292,327	71,564,552	39,580,175	-
Borrowings	-	42,371,333	-	120,000,557
	2,292,327	113,935,885	39,580,175	120,000,557
31st December 2024				
Trade and other payables	9,778,140	27,321,978	49,309,160	-
Borrowings	0	35,986,859	-	71,884,251
	9,778,140	63,308,837	49,309,160	71,884,251

iii) Market risk

Market risk is the risk that the fair value or future cash flows offinancial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk. The Company is only exposed to currency risk.

Currency risk

Currency risk arises on financial instruments denominated in foreign currency. The Company has cash and cash equivalents, trade payables and borrowings that are denominated in foreign currency.

	USD KSh	Euro KSh	Other KSh	Total KSh
Year ended 31st December 2025				
Cash and cash equivalents	-	-	-	-
Trade and other payables	-	-	-	-
Borrowings	-	-	-	-
Net exposure	-	-	-	-
Year ended 31st December 2024				
Cash and cash equivalents	-	-	-	-
Trade and other payables	-	-	-	-
Borrowings	-	-	-	-
Net exposure	-	-	-	-

Management consider that an appreciation/depreciation of all foreign currencies against the Kenya Shilling of 10% in the year ending 31st December 2025 is reasonably possible. Since there is no foreign currencies, there is no estimated appreciation/depreciation against the Kenya Shilling by the said percentages, hence, no post tax profit exposure.

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

b) Capital management

The Company's objective in managing its capital is to ensure that it supports the development ofits business and is able to continue as a going concern, while at the same time maximising the return to its shareholders.

The Company manages its capital by evaluating the working capital requirements and investment in non-current assets before borrowing:

The gearing ratio at the year-end was as follows:	2025 KSh	2024 KSh
Total borrowings, including lease liabilities	162,371,890	107,871,110
Less: cash and cash equivalents	(7,225,241)	(2,331,086)
Net debt	155,146,649	105,540,024
Total equity	73,057,844	68,920,673
Total capital resources	228,204,493	174,460,697
Gearing	68%	60%

5. Revenue	2025 KSh	2024 KSh
Sale of goods	351,093,966	309,864,386
	351,093,966	309,864,386

6. Cost of sales

Opening inventories	24,238,300	26,185,645
Purchases and other direct expenses	301,502,011	210,127,276
Less: Closing inventories	(62,469,885)	(24,238,300)
	263,270,426	212,074,621

NOTES (CONTINUED)

7. Other income	2025 KSh	2024 KSh
Gain on sale of property, plant nd equipment	0	138,173
Insurance claim received	0	2,463,500
	0	2,601,673

8. Finance costs		
Interest expense	14,791,274	14,569,803
Unrealised foreign exchange (gain)/loss	38,730	6,395,817
	14,830,004	20,965,620

9. Profit before tax

(a) The following items have been recognised as expenses in determining loss before tax:

Employee benefits expense (see 9(b) below)	17,317,722	16,274,414
Depreciation of property and equipment and amortisation of intangible assets	9,787,620	8,153,878

(b) Employee benefits expense

Wages, salaries and allowances	16,240,421	15,097,800
Retirement benefit costs:		
- National Social Security Fund	1,077,301	1,176,614
	17,317,722	16,274,414
Less: Salaries capitalised	-	-
Employee benefits expensed through profit and loss account	17,317,722	16,274,414

The average number of persons employed during the year, by category, were:	2025 Number	2024 Number
Finance and administration	4	4
Sales and marketing	3	2
Customer care department	1	1
Business development department	1	1
Technical department	9	4
Casuals	22	21
	40	33

NOTES (CONTINUED)

10. Tax expense	2025 KSh	2024 KSh
Current tax	1,430,002	8,530,180
Deferred tax income relating to the origination and reversal of temporary differences (Note 17)	2,753,169	853,597
Tax income	4,183,171	9,383,777

The tax income for the year differs from the theoretical amount that would result from applying the statutory tax rate of 30% (2024: 30%) to the loss before tax as follows:

Profit before tax	8,320,342	19,558,961
Tax calculated at a tax rate of 30% (2024:30%)	2,496,103	5,867,688
Tax effect of:		
Expenses not deductible for tax purposes	-1,066,100	3,516,089
Effect of deferred tax not provided for earlier	2,753,168	0
Tax income	4,183,171	9,383,777

11. Share capital

	No. of ordinary shares issued KSh	Issued and fully paid up capital KSh
At 1st January 2023 and 31st December 2024	1,010,000	10,100,000
At 1st January 2024 and 31st December 2025	1,010,000	10,100,000

The total number of authorised ordinary shares is 1,010,000 (2024: 1,010,000) with a par value of KSh 10 each.

NOTES (CONTINUED)

12. Plant and equipment

	Plant and Machinery KSh	Computers KSh	Furniture and and fittings KSh	Office equipment equipment KSh	Motor vehicle vehicle KSh	Work in Buildings KSh	Total KSh
At 1st January 2024							
Opening carrying amount	41,669,998	118,790	942,687	796,798	5,714,852	-	49,243,125
Additions	8,110,466	141,000	77,656	53,297	5,013,449	66,003,827	79,399,695
Cost Eliminated on asset write off	-	-	-	-	(1,700,000)		(1,700,000)
Depreciation eliminated on asset write off	-	-	-	-	1,558,173		1,558,173
Annual Depreciation	(4,978,046)	(64,948)	(102,034)	(85,009)	(2,646,618)		-7,876,655
Net carrying amount	44,802,418	194,842	918,309	765,086	7,939,856	66,003,827	120,624,338
Year ended 31st December 2024							
Cost or valuation	74,896,464	705,550	3,008,966	1,796,326	17,076,788	66,003,827	163,487,921
Accumulated depreciation	(30,094,046)	(510,708)	(2,090,658)	(1,031,240)	(9,136,932)	-	(42,863,584)
Net carrying amount	44,802,418	194,842	918,308	765,086	7,939,856	66,003,827	120,624,337
Year ended 31st December 2025							
Opening carrying amount	44,802,418	194,842	918,308	765,086	7,939,856	66,003,827	120,624,337
Additions	16,397,949	400,000	0	12,000	4,348,587	65,912,620	87,071,156
Cost eliminated on asset write-offs	-	-	-	-	-	-	-
Depreciation eliminated on asset write-offs	-	-	-	-	-	-	-
Annual depreciation	(6,120,037)	(148,711)	(91,831)	(77,709)	(3,072,111)	-	(9,510,397)
Closing carrying amoun	55,080,330	446,132	826,477	699,377	9,216,332	131,916,447	198,185,095
At 31st December 2025							
Cost or valuation	91,294,413	1,105,550	3,008,966	1,808,326	21,425,375	131,916,447	250,559,077
Accumulated depreciation	(36,214,083)	(659,419)	(2,182,489)	(1,108,949)	(12,209,043)	-	(52,373,981)
Net carrying amount	55,080,330	446,132	826,477	699,377	9,216,332	131,916,447	198,185,095

Depreciation is computed using the reducing balance method.The following annual rates are used for the depreciation of equipment:

	Rate
Plant and machinery	25.0 per cent
Computers	25.0 per cent
Furniture and fittings	10.0 per cent
Office equipment	1.0 per cent
Motor vehicle	25.0 per cent

NOTES (CONTINUED)

13. Lease liability

	2025 KSh	2024 KSh
At the start of the year	-	-
Additions	-	-
Interest expense	-	-
Lease payments	-	-
At end of the year	-	-
Non-current liability portion	-	-
Current liability portion	-	-
	-	-

The total cash outflow for leases in the year was:

Payments of principal portion of the lease liability	-	-
Interest paid on lease liabilities	-	-
	-	-

14. Right-of use asset

Land	2025 KSh	2024 KSh
Cost		
At start of year	27,445,000	27,345,000
Additions	0	100,000
	27,445,000	27,445,000
Accumulated amortisation		
At start of the year	1,940,556	1,663,333
Depreciation charge	277,222	277,222
At end of year	2,217,778	1,940,556
Carrying amount		
At end of year	25,227,222	25,504,444

The lease of land are typically for period of 99 years. The leases contains no restrictions or covenants.

NOTES (CONTINUED)

15. Intangible assets - software	Computer software KSh	Customer acquisition costs KSh	Total KSh
Cost			
At start of year	-	-	-
Additions	-	-	-
At the end of year	-	-	-
Accumulated amortisation			
At start of year	-	-	-
Annual amortisation	-	-	-
At end of year	-	-	-
Carrying amount			
At end of year	-	-	-

16. Borrowings	Interest rate	2025 KSh	2024 KSh
Non current			
SBM Bank loan - Term loan	20.7%	120,000,557	71,884,251
		120,000,557	71,884,251
Current			
SBM Bank loan - Bill discounting	14.5%	20,000,000	20,000,000
SBM Bank loan - Bank overdraft	20.7%	22,371,333	15,986,859
		42,371,333	35,986,859
		162,371,890	107,871,110

Reconciliation of liabilities arising from financing	2025	2024
Year ended 31 December 2025	KSh	KSh
At start of the year	107,871,110	32,841,755
Interest charged to profit or loss	14,791,274	14,569,803
Cash flows:		
Proceeds	1,229,826,586	230,574,061
Operating activities (interest paid)	(14,791,274)	(14,569,803)
Repayments	(1,175,325,805)	(155,544,707)
At end of year	162,371,890	107,871,110

NOTES (CONTINUED)

17. Deferred tax

Deferred tax is calculated using the enacted rate of 30%, which is the enacted rate applying from 1st January 2025 (2024: 30%). The following are the deferred tax assets recognised by the Company:

Year ended 31st December 2025	At start of year KSh	Credited profit or loss KSh	At end of year KSh
Property and equipment	(10,822,339)	(1,860,972)	(12,683,311)
Unrealised exchange differences	295,604	(393,196)	(97,592)
Right-of-use assets	582,167	(499,000)	83,167
Tax losses carried forward	-	-	-
Net deferred tax asset	(9,944,568)	(2,753,168)	(12,697,736)
Deferred tax asset not recognised	(23,165,694)	-	(23,165,694)
Net deferred tax asset recognised	(33,110,262)	(2,753,168)	(35,863,430)
Year ended 31st December 2024			
Property and equipment	(9,090,971)	(1,731,368)	(10,822,339)
Unrealised exchange differences	-	295,604	295,604
Right-of-use assets		582,167	582,167
Tax losses carried forward	-	-	-
Net deferred tax asset	(9,090,971)	(853,597)	(9,944,568)
Deferred tax asset not recognised	(23,165,694)	-	(23,165,694)
Net deferred tax asset recognised	(32,256,665)	(853,597)	(33,110,262)

The deferred tax asset on tax losses has been recognised based on management's projections offuture taxable profits that will be available against which the deductible temporary tax losses can be utilised.

18. Inventory	2025 KSh	2024 KSh
Stock in trade	62,469,885	24,238,300
	62,469,885	24,238,300

NOTES (CONTINUED)

19. Other receivables	2025 KSh	2024 KSh
Trade receivables	137,148,145	112,131,720
Deposits and prepayments	225,380	1,008,090
Value Added Tax recoverable	26,755,931	10,964,617
	164,129,456	124,104,427

20. Cash and cash equivalents		
Cash at bank and in hand	7,225,241	2,331,086

21. Trade and other payables		
Trade payables	113,029,293	86,063,303
Other payables and accruals	407,762	345,975
Due to shareholders (note 23 (i))	100,430,817	26,281,474
	213,867,871	112,690,752

22 Related parties

The shareholders have had transactions with the company as follows:
The following transaction were carried out with related parties:

i) Due to related parties	2025 KSh	2024 KSh
Due to shareholders (Note 21)	100,430,817	26,281,474

ii) Directors' remuneration		
- Salaries	4,800,000	4,800,000

NOTES (CONTINUED)

24. New and revised financial reporting standards

The Company has not applied the following new and revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2024. None of the changes is expected to have any material impact on the Company's financial statements except IFRS 18, which will require changes to the presentation, and related disclosures, of the Profit and Loss Account and the Statement of Cash Flows.

IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)
The new standard, applicable to annual periods beginning on or after 1st January 2027, replaces IAS 1 and sets out revised requirements for the presentation and disclosure ofinformation in general purpose financial statements.

IFRS 19 titled Subsidiaries without Public Accountability: Disclosures (issued in May 2024)
The new standard, applicable to annual periods beginning on or after 1st January 2027, specifies the disclosure requirements a subsidiary without public accountability is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

Amendments to IFRS 9 and IFRS 7 titled Amendments to the Classification and Meassurement of Financial Instruments (issued in May 2024)

The amendments, applicable to annual periods beginning on or after 1st January 2026, address diversity in accounting practice by making the requirements more understandable and consistent.

Annual Improvements to IFRS Accounting Standards - Volume 11 (issued in July 2024)
The document sets out minor amendments to five Standards, applicable to annual periods beginning on or after 1st January 2026

Amendments to IFRS 9 and IFRS 7 titled Contracts Referencing Nature-dependent Electricity (issued in December 2024)

The amendments, applicable to annual periods beginning on or after 1st January 2026, help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements.

Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)

The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued in August 2025)
The amendments, applicable for annual periods beginning on or after 1st January 2027, provide reduced disclosure requirements for new or amended IFRS Accounting standards issued between February 2021 and May 2024

Shri Krishana Overseas Plc
Supplementary information
For the year ended 31st December 2025

SCHEDULE OF OPERATING EXPENDITURE

1. SALES AND MARKETING EXPENSES	2025 KSh	2024 KSh
Sales and marketing costs	2,492,751	1,838,444
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	12,517,722	11,474,414
Staff medical and welfare costs	284,496	77,370
Statutory deductions	1,077,301	810,766
Work permit	0	150,050
Total employment costs	13,879,519	12,512,600
Other administration expenses:		
Travel and accommodation	2,058,948	2,401,160
Legal and professional fees	6,635,852	800,000
Licenses and regulatory fees	364,312	143,500
Telephone and internet costs	344,683	384,463
Directors' remuneration	4,800,000	4,800,000
Stationery and printing	446,529	285,621
Bank charges	1,121,808	690,748
Audit fees		
- Current year	300,000	300,000
General expenses	1,669,106	2,505,111
Motor vehicle costs	4,287,858	4,764,633
Security	122,454	246,783
Donations, fines and penalties	307,309	2,944,820
Total other administration expenses	22,458,859	20,266,839
Total administrative expenses	36,338,378	32,779,439
3. ESTABLISHMENT EXPENSES		
Rent and rates	6,727,200	6,780,000
Repairs and maintenance	2,935,230	1,680,143
Insurance expenses	3,432,847	3,407,124
Utilities	2,959,169	5,227,829
Lease amortisation	277,222	277,222
Depreciation of equipment & amortisation of intangible asse	9,510,397	7,876,656
	25,842,065	25,248,974

Top 20 Global Investors As At Sunday May 31 2026

	Names	Address	Shares	Percentage
1	DEVI,NIRMLA	6138-00100 NAIROBI	25,250,000	50.00%
2	SINGH,SONVIR	6138-00100 NAIROBI	17,187,640	34.03%
3	SHARAWE,MOHAMED ABDULLAHI	P.O. BOX 21143-00100 NAIROBI	4,839,569	9.58%
4	PRAKASH,CHANDRA	6138-00100 NAIROBI	513,258	1.02%
5	SINGH,BHARAT	6138-00100 NAIROBI	505,000	1.00%
6	BALAI,SHYAN LAL	6138-00100 NAIROBI	469,347	0.93%
7	JAGDISH,PRASAD	6138-00100 NAIROBI	182,100	0.36%
8	CHAUDHARY,KAVITA	32103- RAJASTHAN	168,000	0.33%
9	SINGH,SATVIR	25, SHAMON-1041 AUCKLAND	129,500	0.26%
10	WASEKA,ANN MARY WAMAYA	P O BOX 1099-50102 MUMIAS	117,005	0.23%
11	KANTARIA,BIMAL RAJNIKANT	P.O BOX 46826- NAIROBI	83,000	0.16%
12	CHETAN	40638-00100 NBI	79,400	0.16%
13	KIARIE,DANIEL NJOROGE	P.O BOX 375 - 01030- GATUNDU	75,000	0.15%
14	KESTREL CAPITAL NOMINEE SERVICES LIMITED A/C 110	P.O.BOX 40005-00100 Nairobi	63,919	0.13%
15	OKUMU,MIKE OKELLO	61025-00200 NAIROBI	62,900	0.12%
16	ORECHI,ALEX MAUYA	1361-40200 NAIROBI	50,000	0.10%
17	HUJAAB LIMITED	P.O.BOX 90071-80100 MOMBASA	48,486	0.10%
18	KUMAR,SHIVANGI	6442-110070 DELHI	41,000	0.08%
19	KUMAR,DHRUV	6442-110070 DELHI	41,000	0.08%
20	ABDAllah,IBRAHIM	80100 MOMBASA-80100 MOMBASa	40,000	0.08%
21	Others		553,876	1.10%
		Grand Totals:	50,500,000	100.00%

Shri Krishana Overseas PLC

NOTICE OF THE 1ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **1st ANNUAL GENERAL MEETING** of **SHRI KRISHANA OVERSEAS PLC ("the Company")** will be held via electronic means on Tuesday 30th June 2026 at 11.00 AM to conduct the business set out below.

ORDINARY BUSINESS

1. To table the proxies and note the presence of a quorum.

2. To read the notice convening the meeting.

3. To receive, consider and if thought it, adopt the Company's audited Financial Statements for the year ended 31st December 2025 together with the Chairman's Directors' and Auditors' Reports thereon

4. To note that the Directors do not recommend the payment of a dividend for the year ended 31st December 2025

5. To elect Directors:

    a. In accordance with Article 107 of the Company's Articles of Association, Mr. Sureshkumar H Patel retires by rotation, and being eligible offers himself for re-election.

    b. In accordance with Article 107 of the Company's Articles of Association, Mr. Kumar Sheth retires by rotation, and being eligible offers himself for re-election.

6. To appoint the following Directors to continue being members of the Board Audit Committee pursuant to the provisions of Section 769 of the Companies Act 2015, and subject to their reelection where applicable:
    a) Ms. Alice Mititu
    b) Mr. Kumar Sheth
    c) Mr. Muciri Kiambo

7. To approve the Directors' Remuneration Report for the period ended 31st December 2025.

8. To appoint Parkash Associates Certified Public Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and authorize the Directors to fix their remuneration.

9. To transact any other business of the Annual General Meeting in respect of which due notice has been received.

BY ORDER OF THE BOARD

Jacqueline Rotich
Company Secretary
Date: 8th June 2026

NOTICE OF THE 1ST ANNUAL GENERAL MEETING (CONTINUED)

Notes

1. SKL Plc has convened and will conduct its 1st Annual General Meeting via virtual/electronic means in line with The Companies Act, 2015.

2. Shareholders wishing to participate in the meeting should register for the AGM by doing the following:

   a. Dialing ***483*901#** for all Kenyan telephone networks and following the various registration prompts; or

   b. Sending an email request to be registered to sklagm@image.co.ke.

   Shareholders with email addresses will receive a registration link via email through which they can use to register.

   To complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number or send an email to sklagm@image.co.ke to be assisted to register

3. Registration for the AGM opens on 8th June 2026 at 9.00 a.m. and will close on 26th June 2026 at
   11.00 a.m. Shareholders will not be able to register after 26th June 2026 at 11.00 a.m.

4. In accordance with Section 283 (3) of the Companies Act, the following documents may be viewed on the Company's website https://www.skl.co.ke

   a. a copy of this Notice and the proxy form.
   b. the Company's Annual Report & Audited financial statements for the year ended 31 December 2025.

   The reports may also be accessed upon request by dialing the USSD code above and selecting the reports option. The reports and agenda can also be accessed on the livestream link.

5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

   a. Sending their written questions by email to sklshares@image.co.ke; or
   b. Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (Ask Question) on the prompts; or
   c. To the extent possible, physically delivering their written questions with a return physical, postal or email address to the registered office of the Company at Shri Krishana Overseas Plc, Falcon Road, Imara Daima, Nairobi, or to Image Registrars offices at 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street.

   Shareholders must provide their full details (full names, National ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

The Company's Directors will provide responses to questions received via the channel used by shareholders to send their questions i.e. SMS (for USSD option), Email, Letters or Telephone call. Questions will also be answered during the meeting.

A full list of all questions received, and the answers thereto will be published on the Company's website not later than 24 hours following the conclusion of the meeting.

6. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company. A proxy form is attached to this Notice and is available on the Company's website via this link: https://www.skl.co.ke/. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street P. O. Box 9287 – 00100. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company to arrive not later than 11.00 a.m. on 29th June 2026.

   Duly signed proxy forms may also be emailed to sklagm@image.co.ke in PDF format. A proxy form must be signed by the appoint, or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.

7. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour before the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour's time and providing a link to the live stream.

8. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted) via the USSD prompts.

9. A poll shall be conducted for all the resolutions put forward in the notice.

10. Results of the AGM shall be published on the Company's website within 24 hours following conclusion of the AGM.

    a) Shareholders are encouraged to continuously monitor the Company's website https://www.skl.co.ke for updates relating to the AGM.

ANNUAL FINANCIAL STATEMENTS AND REPORTS FOR THE YEAR ENDED 31ST DECEMBER 2025

Shri Krishana Overseas PLC

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