UNGA GROUP Plc

2025
INTEGRATED REPORT

ENTRENCHING QUALITY SUSTAINABLY

TABLE OF CONTENTS

*We **PURPOSE** to **provide food** and **farm-care solutions** for better **living, sustainably.***

ABOUT THIS REPORT

Welcome to our 2025 Integrated Report, which offers a comprehensive overview of Unga Group's business model, governance structures, and strategic direction. This report evaluates the commercial, economic, social, and environmental outcomes that shape our prospects for long-term value creation. It is intended to be read alongside our annual financial statements, which are included as part of this report.

Scope and Boundary

Covering the financial year ended 30 June 2025, this report encompasses material information relevant to the Group and its subsidiaries. It focuses on the core operations and activities that drive our performance and is designed to serve a broad spectrum of stakeholders interested in understanding Unga's strategic priorities, operational effectiveness, and long-term sustainability. In addition to financial performance, the report provides disclosures on the Group's most significant impacts on people, society, and the environment.

Our integrated reporting boundary includes the material risks and opportunities arising from our strategic choices and operating context. It also reflects the quality of our relationships with key stakeholders whose interests influence Unga's ability to create value. As such, this report is relevant to all stakeholders seeking insight into our capacity to generate sustainable value over time.

The Board and Management are confident that this report presents the most qualitative and quantitative disclosures deemed material to the Group's ability to deliver value sustainably. The information contained herein has been compiled from internal documentation, management interviews, and presentations, as well as market disclosures related to the Group's year-end results and other relevant announcements.

Reporting Frameworks

In preparing this report, we have aligned with the principles and guidelines of the Integrated Reporting Framework and the Global Reporting Initiative (GRI) Standards. These frameworks support our commitment to advancing sustainability reporting and enable us, and our stakeholders, to take informed actions that generate economic, environmental, and social benefits.

We continue to comply with the Kenya Companies Act, 2015, the Capital Markets Authority guidelines, and the Nairobi Securities Exchange (NSE) listing requirements. This includes adherence to the NSE's Environmental, Social, and Governance (ESG) disclosures manual for listed companies. As the reporting landscape evolves, we remain committed to enhancing our disclosures in line with both local and international best practices.

Forward-looking statements

This report also contains certain forward-looking statements based on the current views and expectations of Unga's Board of Directors and Executive Management. These statements relate to future performance and prospects and are subject to known and unknown risks, uncertainties, and other factors. As such, no assurance can be given that these forward-looking statements will prove accurate, and stakeholders are advised not to place undue reliance on them.

Board Responsibility and Approval

The Board acknowledges its responsibility for the credibility and reliability of this Integrated Report. In its opinion, the report addresses all material matters, fairly presents the Group's integrated performance, and offers a balanced view of Unga's strategy and its translation into value creation across the short, medium, and long term.

CORPORATE INFORMATION

DIRECTORS	I Ochola-Wilson (Mrs) J Nyutu - *Appointed 1st July 2025* J K Kibet A McKittrick - *Retired December 2024* P O Obath S Haria (Ms) A S M Ndegwa W Wangari (Mrs) W Miringu (Ms) Kinya Kimotho - *Appointed 1st August 2025*	*Chairman*
SECRETARY	Winniefred Nyagoha Jumba Plot LR. No. 209/6921 5th Floor, West Wing ICEA Lion Centre, Riverside Park Chiromo Road, Westlands Nairobi, Kenya	
REGISTERED OFFICE	Plot No. 209/6841 Ngano House Commercial Street Industrial Area P.O. Box 30096, 00100 Nairobi, Kenya	
REGISTRARS	Custody & Registrars Services Limited 1st Floor, Tower B, IKM Place 5th Ngong Avenue P.O. Box 8484, 00100 Nairobi, Kenya	
AUDITOR	PricewaterhouseCoopers LLP Certified Public Accountants (Kenya) PwC Tower, Waiyaki Way/ Chiromo Road, Westlands P.O. Box 43963, 00100 Nairobi, Kenya	
BANKERS	NCBA Mara Rd. Upper-hill P.O. Box 44599-00100 Nairobi, Kenya	Absa Bank Plc Waiyaki Way, PO Box 30120, 00100 GPO, Nairobi, Kenya.
LAWYERS	Coulson Harney LLP 5th Floor, West Wing, ICEA Lion Centre Riverside Park, Chiromo Road, Nairobi P.O. Box 10643-00100 Nairobi, Kenya	

02 Unga Group at a Glance

At Unga Group Plc, we firmly believe that leadership entails accountability.
As stewards of the resources that provide animal and human nutrition to the world, we take our responsibility seriously.

ABOUT THE GROUP

Unga Group Plc is a leading flour milling and animal feed production company in Kenya and has been in operation for over 100 years.

Unga operates as a strategic alliance between Unga Group and Seaboard Corporation, a US-based multinational whose diversified business has operations in North America, Central & South America, the Caribbean, Africa, South-East Asia, and Australia.

Seaboard provides technical support to Unga's production operations. Through its trading division, it also provides a platform through which Unga can optimise its procurement of internationally sourced materials and equipment.

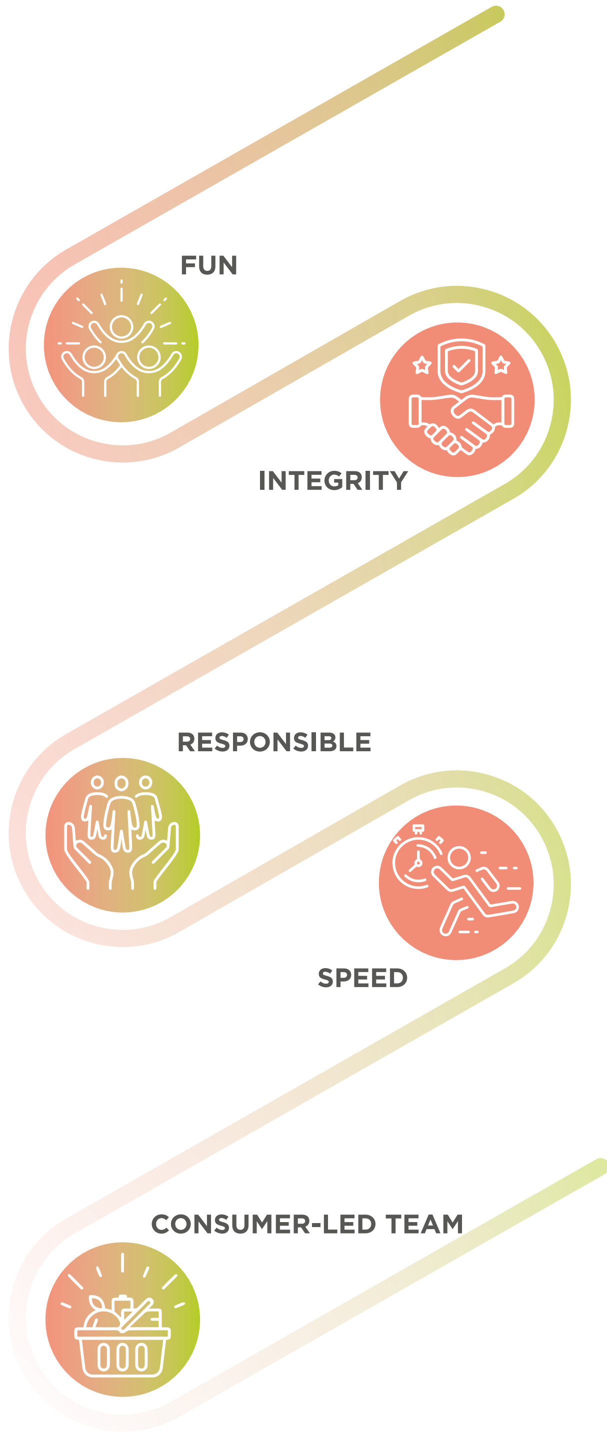
OUR PURPOSE

We provide food and farm-care solutions for better living, sustainably.

OUR VISION

To be the leading provider of high-quality, affordable products that nourish people and animals whilst supporting local communities and protecting the environment.

OUR CORE VALUES



STRATEGIC PRIORITIES

- Enhancement of core business
- Pursue Innovation and new business opportunities
- Foster a high-performance culture

OUR HISTORY

Unga's history in Kenya dates back over 117 years. Our presence and success attests to a heritage of consistent quality human and animal nutrition and health products across the East Africa region.

1904 - 1910

1904: Lord Delamare planted his first crop of wheat on his Equator Ranch/Njoro - he was the first to grow wheat on a commercial scale in Kenya - first wheat grown in Kenya was at CMS (Church Missionary Society) Station in Machakos.

1908: Unga Limited incorporated on 28th December.

1909: **First bag of wheat flour produced at the mill situated on Sadler Street (now Koinange Street) on 5th April - packed under the brand 'Kenia's Mist'. The mill was close to where Chester House is now located.**

1911 - 1929

1921: New wheat mill commissioned in Njoro.

1924: Sadler Street mill sold - primarily because it was unable to compete with cheap wheat being imported from India - it was milling significantly more expensive local wheat.

1927: **All shares in Unga Limited sold to the Wheat Growers Association, who then amalgamated with the Kenya Farmers Association in the same year.**

1928: Unga (1928) Limited incorporated.

1929: Purchased Kenya Grain Mills (who had a mill commissioned in 1925 on Commercial Street).

1930 - 1939

1932: **Njoro mill burnt down - new wheat mill commissioned in Eldoret.**

1937: Acquired Sun Flour Mills in Eldoret - renamed White Star Milling Company Limited.

1939: Leased wheat mill in Iringa, Tanzania.

1940 - 1949

1945: Commissioned wheat mill in Arusha, Tanzania; purchased Iringa mill.

1948: **Doubled capacity of Eldoret mill.**

1950 - 1959

1953: Proctor & Allan purchased.

1955: Uganda Grain Milling Company established; wheat milling commenced at Jinja in 1956.

1956: **Public listing as Unga Limited, trading on Nairobi Stock Exchange.**

1956: Nakuru Feeds plant opened.

1957: Nakuru wheat mill commissioned; new Eldoret wheat mill commenced production.

1960 - 1969

1961: Assumed ownership of Elliot's Bakeries Ltd. (had been in operation since 1947).

1965: Acquired Maida Limited, Jogoo brand.

1967: **Tanzania entity nationalised.**

1970 - 1979

1970: Unga Millers Ltd renamed Mercat Ltd.

1973: Partnered with Elianto AG and Agricultural Development Corporation to set up new company called Elianto Kenya Ltd based in Nakuru; factory opened by H.E. President Jomo Kenyatta on 2nd December.

1976: **Ugandan entity nationalised.**

1980 - 1989

1981: Unga Feeds established.

1984: Chester House opened.

1986: Ufuta Ltd established.

1987: **Mercat Ltd renamed Unga Group Ltd.**

1990 - 1999

1991: **Unga House opened.**

1994: Elliot's Bakeries sold.

1998: Bullpak Limited commenced operations (JV with Nampak SA from South Africa); Proctor & Allan sold.

1999: Unga Farm Care (EA) Ltd established.

2000 - 2009

2000: Seaboard Corporation Investment via Unga Holdings Ltd (65% Unga Investments Ltd. 35% Seaboard Corporation).

2002: Unga Millers (U) Ltd commenced wheat milling operations in Kampala.

2009: **100 year anniversary.**

2010 - 2019

2013: New wheat mill commissioned at Commercial Street.

2014: Interest in Bullpak Limited divested.

2015: **Controlling interest acquired in Ennsvalley Bakery Ltd.**

2017: Unga Millers (U) Ltd ceased milling operations; extruded fish feed plant comissioned at Dakar Road.

2018: New wheat mill commissioned in Eldoret.

2019: Soybean meal plant commissioned in Nairobi.

2020 - 2023

2021: Divested from bakery business and sold assets of Ennsvalley Bakery Limited

2022: Transfered business and assets of its fish feed business and invested in Tunga Nutrition (K) Limited and Tunga Nutrition (U) Limited.

2023: Commissioned the second fish feeds production line in Tunga Nutrition (K) Limited.

2024: Tunga Nutrition (U) Limited production of feeds.

Unga Group Plc, founded in 1908, is one of Kenya's oldest and most trusted companies in human and animal nutrition. Listed on the Nairobi Securities Exchange since 1956, the Group continues to play a vital role in East Africa's food security, combining tradition with innovation to nourish communities and livestock.

OPERATIONAL STRUCTURE

UNGA GROUP Plc

UNGA HOLDINGS LIMITED

UNGA INVESTMENTS LIMITED

UNGA MILLERS (U) Limited

Kampala - Investment in Tunga Nutrition (U) Limited (Animal feeds plant)

UNGA FARM CARE (EA) LIMITED

Manufactures animal nutrition products and distributes animal health products

Nairobi Feeds - mash and pellet lines + soya cake plants
Nakuru Feeds - mash and pellet lines
Nakuru Mineral - premix, powdered mineral and mineral block plants

Investment in Tunga Nutrition (K) Limited (Fish feeds plant)

UNGA LIMITED

Eldoret – maize and wheat mills
Commercial Street – maize and wheat mills, Famila® porridge plant.

Milling of wheat, maize and millet into flour products for human consumption. Also packs and distributes a wide range of foods under Amana® Brand.

The world may change, but our steadfast dedication to providing sustainable food and farm-care solutions for better living remains unwavering. You can trust us to be a beacon of stability, a rock-solid presence that will endure for generations to come... we continue to build on the pillars that have helped us become so successful. We will also continue to invest in new technologies and innovations to ensure that we can meet the changing needs of our customers.

Isabella Ochola-Wilson
Chairman, Unga Group Plc

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

OUR PRODUCTS

OUR PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

- Revenue: Shs 26bn (2024: Shs 24bn)
- 10% growth in consolidated revenue supported by volume growth
- Gross Profit: Shs 2.5bn (2024: Shs 1.6bn)
- Operating Profit: Shs 704m (2024: Loss of Shs 276m)
- Profit After Tax: Shs 222m (2024: Loss of Shs 670m)
- 23% reduction in debt
- Finance Costs: Shs 395m (2024: Shs 559m)
- Retained earnings Ksh3bn (2024: Ksh2.9bn)
- Earnings per Share: Shs 1.7 (2024: Loss per share Shs 5.9)
- Dividends nil (2024: nil)

CONSUMER HIGHLIGHTS

- Ranked first place in the Kenya Millers
- Fortification Index
- 100% adoption of Unga's U-Client ordering platform
- Physical distribution expanded
- Last-mile penetration accelerated
- Decentralised access implemented
- Strategic partnerships implemented
- E-commerce and digital strategy implemented

EMPLOYEE HIGHLIGHTS

- Staff rewards and benefits: Shs 819m (2024: Shs 921m)
- 47% reduction in accidents (10 vs 19 in 2024) across all sites
- Zero fatalities
- 42% internal mobility rate (70% target by 2027)
- 89% uptake of Learn n Grow eLearning platform
- Employee retention rate: above 80%
- 5% targeted for disability representation

GOVERNMENT HIGHLIGHTS

- Employee taxes Shs 240.5m (2024: Shs 190.3m)
- Company taxes Shs 5.9m (2024: Shs 6.8m)
- VAT and sales tax Shs 44.5m (2024: Shs 35.2m)
- Customs and excise duty Shs 575m (2024: 629m)
- Tax collected on behalf of government Shs 110.5m (2024: Shs 106.3m)

SUSTAINABILITY HIGHLIGHTS

- 19% reduction in electricity usage at manufacturing sites
- 12% reduction in water consumption
- 2.7% drop in total waste generation to landfill
- 100% completion of solar energy project
- 1.42 million kWh of clean energy produced
- Ksh30.6m in savings against grid electricity
- 24% of fleet replaced with more fuel-efficient vehicles
- Ksh16.9m in transport cost savings in Q1 alone
- 60% of packaging materials are recyclable
- Expanded farmer support programmes
- Deepened engagement with distributors
- Sustainable sourcing agenda accelerated

SUPPLIER HIGHLIGHTS

- New raw material sources identified
- Accelerated supplier engagement
- Strategic supplier development and aggregation planning implemented
- Enabled the Group to secure maize supply and mitigate disruptions
- Long-term supplier partnerships identified
- Rigorous quality assurance protocols implemented
- Enhanced fortification, improved labelling, and stricter safety controls adopted
- Consumer complaints are on a declining trend

COMMUNITY SUPPORT AND STAKEHOLDER ENGAGEMENT

- School feeding initiative at Kariobangi Primary School
- Partnered with RVO (Dutch Government), Bless Dairies, and Trow Nutrition in a dairy farmers' capacity programme
- Empowered livestock farmers via knowledge-sharing forums, farmer field days, and demonstration projects
- Deepened customer-centric approach
- Expanded digital engagement and innovation
- Strengthened farmer and supplier capacity
- Advanced community investment
- Over 150,000 farmers trained on best practices in dairy, poultry, and beef farming
- Championed climate-smart practices

03 Leadership Reflections & Performance Overview

Unga Group has endured for more than a century, adapting to changing times while remaining true to its core purpose.

CHAIRMAN'S STATEMENT

From risk mitigation and financial stewardship to leadership development and operational optimisation, our governance structures have remained robust and responsive.

Isabella Ochola-Wilson (Mrs)
Chairman

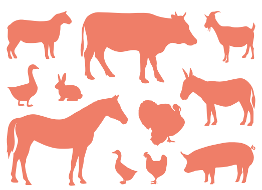
Introduction and Context

The past financial year has been one of the most testing yet instructive periods in Unga Group's long and storied history. It was a year that demanded resilience, agility, and introspection, qualities that have defined our journey for over a century. As we navigated a volatile macroeconomic landscape, shifting consumer dynamics, and intensifying competition, we remained anchored in our purpose: providing quality nutrition to both our human and the animal food segments as well as contributing meaningfully to Kenya's food security and economic development.

Navigating a Challenging Operating Environment

Our operating environment in FY2025 was marked by significant headwinds. The human nutrition segment, under Unga Limited, continued to face an exceptionally competitive market, particularly in the flour and rice categories. These segments have seen increased fragmentation, with new entrants rapidly gaining ground and exerting downward pressure on prices. At the same time, high financing costs, and inflationary pressures compounded the challenges, requiring the Board and management to adopt a more pragmatic and agile approach to strategy.

*Despite these pressures, the **Animal Nutrition business remained resilient** and profitable, providing a stabilising anchor for the Group.*



Strategic Realignment and Governance Oversight

In January 2025, the Board undertook a comprehensive review of our strategic direction. Recognising the uncertainty in our operating environment, we resolved to focus our planning horizon on the next two years. This shift reflects a deliberate move toward near-term resilience, stabilisation, and measured growth, while preserving the flexibility to respond to emerging trends and risks. Our revised strategy prioritises operational efficiency, cost containment, and targeted investment in high-impact areas.

The Board continues to provide close oversight and guidance through its active committees — the Board Human Resources Committee, the Board Audit and Risk Committee, the Board Investment and Operations Committee, and the Board Nominations and Remuneration Committee. These committees have played a critical role in ensuring that our decisions remain grounded, responsible, and forward-looking.

From risk mitigation and financial stewardship to leadership development and operational optimisation, our governance structures have remained robust and responsive.

Leadership Continuity and Capacity Building

Leadership stability was a key priority during the year. Following a period of transition, the Board appointed Mr. James Nyutu as Group Managing Director, effective July 1, 2025 following a one-year stint in an acting capacity. James has served Unga for over a decade as Finance Director and brings deep institutional knowledge, operational insight, and strategic continuity to the role. His appointment reflects our commitment to nurturing internal talent and ensuring seamless leadership transitions.

To support James and accelerate our transformation agenda, we are strengthening the leadership team by building additional capacity in the commercial, human resources, supply chain management, and milling operations. These areas are critical to our future competitiveness and will enable us to drive innovation, improve service delivery, and enhance operational resilience.

Financial Resilience and Operational Discipline

The past year reaffirmed the importance of financial resilience and operational discipline. While our human nutrition business recorded losses, these are narrowing — a sign that our corrective measures are beginning to take effect.

The management team has taken decisive steps to manage foreign exchange and interest rate exposures as well as optimise raw material sourcing and improve receivables collection. These actions, though incremental, collectively strengthen the Group's financial position in a high-cost environment.

UNGA FARM CARE (EA) LIMITED
Alama ya Ubora

Unga Farm Care continues to provide stability, growing volumes, and profitability through disciplined execution and strong farmer relationships. Its performance has enabled us to maintain liquidity, support strategic investments, and cushion the Group against volatility in the consumer segment.

We remain focused on enhancing cost efficiency, improving working capital management, and exploring new revenue streams to support long-term sustainability.

Stakeholder Engagement and Inclusive Decision-Making

At Unga, we believe that resilience is not built in isolation. It is shaped by the strength of our relationships and the inclusivity of our decision-making processes. The Board values open dialogue with shareholders, who are represented on the Board and actively engaged in strategic discussions. Their insights and long-term perspective have been instrumental in shaping our turnaround strategy.

Employees are heard through structured channels, including whistleblowing mechanisms, town halls, and direct Board interactions during field visits. These engagements provide valuable feedback and foster a culture of transparency, accountability, and shared purpose. Customers and communities, too, play a vital role in informing our decisions. Their candid feedback — whether on product quality, pricing, or service delivery — is integrated into our planning and execution.

This commitment to stakeholder engagement is not merely procedural; it is foundational to our governance philosophy. It ensures that the voices of all stakeholders inform the path we take and that our decisions reflect the realities and aspirations of those we serve.

Sustainability and Food Security as Strategic Imperatives

Our long-term relevance is intrinsically tied to sustainability and food security. These are not peripheral concerns, but Board-level priorities embedded in the key performance indicators of our leadership. In line with our pledge to reduce environmental impact, we have completed solarisation across all our facilities and are transitioning to biomass energy solutions. These initiatives not only reduce our carbon footprint but also enhance energy efficiency and cost predictability.

Through Unga Farm Care, we are deepening our work with farmers, moving beyond distribution to provide technical support that enhances yields of millet, soya, beans, and other critical crops. By investing in farmer capacity, we are contributing to national food security while supporting livelihoods across the agricultural value chain.

Looking Ahead

Our commitment is to continue aligning our operations with global best practices and contributing to Kenya's broader sustainability goals. These efforts are not only ethically imperative but also commercially prudent, as consumers and investors increasingly demand responsible business practices.

Strengthening Board Oversight and Risk Governance

The Board undertook targeted changes to reinforce its oversight capacity, particularly within the Audit and Risk Committee (BARC). Shilpa Haria, who has served with distinction as Chair of BARC, will shortly be stepping down in the new year to be replaced by a new board member with extensive experience in risk management and audit oversight. Shilpa shall remain an active member of the Board.

Part of our ongoing commitment to effective governance, the Board has undertaken a skills assessment to ensure alignment with Unga's evolving strategic priorities. One area identified for strengthening is technology and digital transformation. Given the pace of change in this domain — from supply chain digitisation to data-driven decision-making — we recognise the need for deeper ICT knowledge at the Board level to support management and guide strategic investments.

Our philosophy is to ensure that Board competencies mirror the strategic needs of the organisation, ensuring our governance framework is well-positioned to support the Group's strategic and operational priorities. This reflects our commitment to maintaining a high-performing Board with the right mix of skills, experience, and independence.

A Renewed Commitment to Growth and Impact

As we look ahead, I remain confident in Unga's resilience and future growth. Our Group has endured for more than a century, adapting to changing times while remaining true to its core purpose. Today, our strong asset base, renewed leadership at the management level, an engaged workforce, and committed shareholders all provide a solid foundation for navigating the challenges ahead of us.

As Kenya's population continues to grow, and with it, the demand for affordable, safe, and reliable food, Unga is well-positioned to serve this need and grow alongside our communities with quality products, both for our consumers and farmers. We are investing in product innovation, digital transformation, and operational excellence to enhance competitiveness and create value for all stakeholders.

Appreciation

To our employees, I want to thank you for your unwavering commitment to excellence, your dedication and professionalism, even in difficult times, which are the bedrock of our success. To our shareholders, I call for patience and partnership as we execute our turnaround and reinvest in capabilities that will secure long-term value. Your support and trust are deeply appreciated.

To our customers and communities, I reaffirm Unga's unwavering promise of quality, safety, and partnership. You are the reason we exist, and we remain committed to serving you with integrity and care.

Finally, to the Board, I thank you for your dedication and support to this truly resilient company.

Together, we will build a stronger and more sustainable Unga Group — one that honours its legacy while embracing the future with courage, clarity, and conviction.

Isabella Ochola-Wilson (Mrs)
Chairman

About this Report | Unga at a Glance | **Leadership Reflections** | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

GROUP MANAGING DIRECTOR'S STATEMENT

Food quality and safety remain non-negotiable pillars of our brand promise. In a market where cost-cutting is often prioritised, we continue to uphold the highest standards.

James Nyutu
Group Managing Director

Continuity, Renewal, and Resilience

The 2024-25 financial year marked a pivotal chapter for Unga Group — one defined by both continuity and renewal.

As I assumed the role of Group Managing Director, my mandate was clear: to sustain our turnaround journey, reinforce our organisational culture, and position the business for long-term resilience.
This year represented the continuation of strategic initiatives launched over a year ago, with sharpened focus, streamlined processes, and renewed investment in our people. It was a year of execution, grounded in discipline and purpose.

We operated against a backdrop of persistent economic headwinds — affordability pressures, shifting consumer behaviour, and policy unpredictability tested the agility of businesses across the region. Yet, amid these challenges, Unga Group demonstrated resilience and adaptability. Supportive macroeconomic factors — including a more stable exchange rate, declining interest rates, and favourable weather patterns — provided some tailwinds. But it was our deliberate choices and disciplined execution that truly drove our performance.

GROUP MANAGING DIRECTOR'S STATEMENT

Financial Performance Highlights

I am pleased to report that Unga Group delivered improved financial results during the year under review.

Consolidated revenue rose by 10%, supported by volume growth across key product categories and stronger customer engagement. Gross margins improved by 3 percentage points, reflecting the benefits of supply chain optimisation and stringent cost management. Operating profit reached Kes 704 million, reversing a Kes 276 million loss in the previous year — a clear testament to our operational discipline and focus on core strengths.

Net profit after tax stood at Kes 222 million, aided by easing interest rates, a stronger Kenya Shilling, and favourable climatic conditions that impacted raw material prices. Our balance sheet remains robust, with a 23% reduction in debt and improved cash flow from operations. Capital expenditure was prudently managed, with resources directed toward efficiency-enhancing initiatives rather than large-scale infrastructure, enabling us to stay agile while delivering sustained value.

Operating Profit
Kes704M

Net Profit after Tax
Kes222M

Strategic Focus and Operational Excellence

Our strategic priorities during the year centred on consolidating our core business in human and animal nutrition. We streamlined our product portfolio to focus on high-performing categories, strengthened our distribution networks, and deepened engagement with key customers and suppliers.

Operationally, we implemented targeted investments in supply chain efficiency, including route-to-market optimisation and inventory management. These efforts yielded measurable improvements in service levels and lead times.

We also launched a comprehensive cost rationalisation programme — not merely to cut expenses, but to reallocate resources to high-impact areas such as innovation, customer experience, and talent development. These deliberate choices enhanced both our operational effectiveness and strategic agility.

Culture and Customer-Centricity

Transformation at Unga Group is as much cultural as it is financial. We are embedding customer-centricity into our organisational DNA — training our teams to listen more attentively, act more responsively, and resolve challenges with empathy and speed.

Though still in its early stages, this cultural shift is gaining traction. We've seen encouraging feedback from customers, stronger relationships, rising satisfaction scores, and increased repeat business — early indicators that we are moving in the right direction.

Food quality and safety remain non-negotiable pillars of our brand promise. In a market where cost-cutting is often prioritised, we continue to uphold the highest standards. During the year, we further strengthened our quality assurance protocols, investing in advanced testing equipment and staff training to ensure full compliance with local and international standards. Notably, in 2025, Unga Limited was recognised at the Kenya Millers Fortification Index Awards as the leading company in flour fortification — a significant endorsement of our quality commitment. In the coming year, we aim to more actively communicate this value to our consumers.

Innovation, Technology, and Data

Toward the close of the financial year, we initiated a strategic review of our technology landscape, beginning with a value audit to assess previous investments. This exercise is guiding our next phase of tech adoption — ensuring that future investments are purposeful, scalable, and future-ready.

We are also elevating data as a strategic asset. Unga is a data-rich organisation, and our focus is now on turning that data into insights that drive decisions. We've expanded our business intelligence capabilities and are embedding analytics into daily operations — improving both visibility and responsiveness.

In parallel, we are reviewing our broader IT infrastructure — from enterprise systems to digital engagement platforms — to ensure alignment with our long-term strategy. Emerging technologies, including AI, are under active exploration, with early-stage pilots planned to test their relevance to our operations.

Meanwhile, our Kaizen and continuous improvement initiatives have driven measurable process efficiencies — from production scheduling and waste reduction to energy usage — all without significant capital expenditure. These successes highlight the power of disciplined execution within a culture of continuous improvement.

Sustainability and Stakeholder Engagement

Sustainability is not a parallel agenda — it is central to our business strategy. We recognise that our long-term success is intertwined with that of our stakeholders: farmers, distributors, employees, customers, and shareholders.

During the year, we expanded our farmer support programmes, offering training in sustainable agricultural practices and facilitating access to quality inputs. We also deepened engagement with distributors, co-creating solutions to improve last-mile delivery and minimise stockouts.

Internally, we invested in our people. We introduced new training modules focused on leadership, compliance, and customer service. Employee engagement scores improved, and retention rates rose in key functions — affirming our belief that a motivated, empowered workforce is essential to achieving our goals.

*We also made meaningful progress on our environmental commitments. Energy efficiency projects led to a **19%** reduction in electricity usage at our manufacturing sites, while water conservation efforts reduced consumption by **12%**. These gains form part of a broader sustainability roadmap that we will continue to develop and implement in the years ahead.*

Looking Ahead

As we look to the future, our strategy remains focused on strengthening our core business while exploring adjacencies that complement our existing portfolio.

We will continue to innovate around consumer needs, affordability, and quality — ensuring that our products remain relevant and accessible. Our brand engagement efforts will increasingly target younger demographics, through digital platforms, storytelling, and community partnerships.

Above all, we remain guided by our values: ***Consumer-Led Team, Integrity, Responsible, Speed,*** and ***Fun***. These are not just aspirational words — they are the principles that shape our culture, inform our decisions, and define our legacy.

Appreciation

This financial year has reaffirmed our belief in the power of disciplined execution, strategic clarity, and stakeholder collaboration. We have made significant progress on our turnaround journey. While challenges remain, we are better equipped than ever to navigate them — with focus, resilience, and a long-term mindset.

To our employees, customers, partners, and shareholders: thank you for your trust and continued support.

James Nyutu
Group Managing Director

FINANCE OFFICE REPORT

Financial Highlights at a Glance (FY 2025 vs FY 2024)

Revenue: Shs 26.1bn ^ 10.2% (FY 2024: Shs 23.7bn)

Gross Profit: Shs 2.5bn ^ 53% (FY 2024: Shs 1.6bn)

Operating Profit: Shs 704m (FY 2024: Loss of Shs 276m)

Profit After Tax: Shs 222m (FY 2024: Loss of Shs 670m)

Finance Costs: Shs 395m ↓ 29% (FY 2024: Shs 559m)

Earnings per Share: Shs 1.73 (FY 2024: Loss per share Shs 5.94)

Overview of Financial Performance

In the financial year ended 30 June 2025, Unga Group delivered a strong turnaround, recording a profit after tax of Shs 222 million compared to a loss of Shs 670 million in FY 2024. Through aggressive cost optimisation, operational streamlining, and effective capital management, the Group reversed the significant loss, delivering strong profitability and a substantially healthier balance sheet. This performance reflects both revenue growth and disciplined cost management, underscoring the resilience of our business in a challenging macroeconomic environment.

Revenue grew by 10.2% to Shs 26.1 billion (FY 2024: Shs 23.7 billion), driven by improved demand across human nutrition and animal nutrition segments, coupled with the sustained execution of route-to-consumer and customer engagement strategies. Gross profit rose by 53% to Shs 2.5 billion (FY 2024: Shs 1.6 billion), reflecting better product mix, efficiency gains, and strategic sourcing.

Notably, administrative expenses fell by nearly 40%, following restructuring measures implemented in the prior year, while selling and distribution costs increased moderately to support growth. As a result, operating profit improved sharply to Shs 704 million (FY 2024: operating loss of Shs 276 million).

Capital Allocation and Investment

The Group maintained a prudent approach to capital allocation, prioritising operational efficiency, debt servicing, and selective investments that strengthen long-term competitiveness. While capital expenditure was limited given prevailing economic headwinds, we continued to support key automation projects, digital platforms, and customer-focused innovations. These initiatives are aligned with our strategy of enhancing productivity, reducing operational risk, and positioning Unga for scalable growth.

In summary, our capital allocation was pragmatic, underlined by:

- **Strategic CapEx:** Capital expenditure (CapEx) was maintained at a focused level (Shs 211 million) and directed towards projects with quick paybacks, such as the restoration of the Famila production line and the ongoing deployment of solar energy systems across our sites. The solar project, now completed, has yielded notable energy cost savings while aligning with our environmental sustainability goals.
- **Intangible Investment:** We increased our investment in Intangible Assets, reflecting our commitment to digital transformation through the development of the unified digital platform and automation initiatives.
- **Brand & Market Support:** We continued to strategically allocate resources to brand enhancement, following last year's successful redesign of the Amana® product line, ensuring that selling and distribution efforts supported the 10.2% revenue growth.

Operational Efficiency and Cost Optimisation

Unga executed targeted initiatives to optimise production and distribution processes, streamline overheads, and improve cost-to-serve ratios. Strategic sourcing and tighter credit controls also yielded efficiency gains, reflected in reduced impairment losses compared to the prior year. Continued focus on sales force automation, e-commerce platforms, and process re-engineering further enhanced efficiency while safeguarding product quality.

Value Addition and Distribution

Our value creation approach remains anchored in ensuring that raw materials and finished products meet the highest standards, adding value across the supply chain. In FY 2025, wealth generated by operations was primarily distributed to suppliers, employees, the government, shareholders, and reinvestment into the business. This reinforces our commitment to inclusive, long-term value creation that benefits both our stakeholders and the wider economy.

The most telling indicator of our operational health is the cash flow generation. The Group generated Shs 1.085 billion in cash from operations (a massive swing from the Shs 725 million cash outflow in 2024). This positive cash generation provides the flexibility to further reduce debt, fund strategic CapEx internally, and support future dividend considerations.

Unga's commitment to creating value is fulfilled by distributing wealth to all stakeholders:

- **Public Finances:** We significantly increased our contribution to public finances, evidenced by the increase in Current Income Tax paid and provided for, reflecting the return to tax-paying profitability.
- **Financiers:** The repayment of substantial short-term debt demonstrates our commitment to reducing financial risk and strengthening relationships with financiers.

Contribution to Public Finances

The Group continued to meet its obligations to the exchequer, contributing significantly to public finances through customs duties, value-added taxes, and employee-related taxes. Unga remains committed to responsible corporate citizenship by ensuring transparent, fair, and timely tax compliance, thereby supporting national development priorities.

Financial Risk Management

The year under review was marked by elevated interest rates and currency pressures, although the Kenyan shilling showed relative stability compared to FY 2024. Unga actively managed these risks through hedging, tighter working capital management, and proactive cost-control measures. Finance costs reduced to Shs 395 million (FY 2024: Shs 559 million), reflecting both reduced exposure and disciplined debt management.

Our balance sheet reflects improved stability, liquidity, and a successful effort to de-leverage the Group.

- **Debt Reduction and Solvency:** Total liabilities were reduced by Shs 442 million, driven primarily by a massive reduction in Current Borrowings (down by Shs 544 million). This movement significantly reduces short-term refinancing risks and enhances the Group's overall solvency.
- **Reduced Finance Costs:** Effective debt management and reduced debt exposure led to a 29% drop in Finance Costs, which directly contributed to the Profit Before Tax recovery.
- **Strengthened Equity:** Total Equity grew by Shs 232.6 million, underpinned by the substantial increase in Retained Earnings, which now stand at Shs 3.03 billion. This growth reinforces the Group's financial foundation.

Strategic Direction and Outlook

Looking ahead, Unga will continue to build on the financial recovery achieved in FY 2025 by focusing on:

- Growth in core brands and product innovation to capture evolving consumer demand.
- Disciplined cost management and operational efficiency to protect margins.
- Strengthening capital structure through continued debt reduction and prudent investment.
- Leveraging digital and data platforms to improve forecasting, sales, and customer engagement.

With these measures, the Group is well-positioned to sustain profitability and unlock long-term value for shareholders and stakeholders.

Value Added Statement – FY 2025

"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

	2025 (Shs'000)	%	2024 (Shs'000)	%
Revenue	26,130,964		23,703,863	
Net cost of raw materials, goods and services	(24,607,777)		(23,057,765)	
Wealth created by trading operations	**1,523,187**		**646,098**	
Total wealth created	**1,523,187**		**646,098**	
Interest Income on deposits	2,089		13,281	
Finance income	2,089		13,281	
Total wealth created	**1,525,276**		**659,379**	
Distributed as follows				
Employees: Benefits and remuneration	819,079	53.7%	921,699	139.8%
Governments: Taxation	118,760	7.8%	(135,375)	-20.5%
Providers of capital	394,581	25.9%	559,412	84.8%
Finance charges	394,581	59.8%	559,412	84.8%
Retained for growth	192,856	29.2%	(686,357)	-104.1%
Loss/ Profit for the year attributable to shareholders of the Company	192,856	29.2%	(686,357)	-104.1%
	1,525,276		**659,379**	

04 Our Approach to Value Creation

Linking our capitals to strategy involves a holistic approach that considers how our actions impact and depend on all the capitals, moving beyond a purely financial view to integrating them into performance, risk management, and long-term objectives.

OUR VALUE-CREATING BUSINESS MODEL

Our business model demonstrates how we strategically leverage our diverse capital and resources, including financial, intellectual, human, manufactured, social and relationship as well as natural capital, to innovate and deliver high-impact nutrition solutions for both humans and animals. Through this integrated approach, we create and sustain shared value across our stakeholder ecosystem, driving long-term health, resilience, and prosperity.

Our Six Capitals

INPUTS

Financial Capital

A strong capital base, diversified sources of capital and funding

- Shareholders' equity Ksh5.3 billion (FY2024: Ksh5.1 billion)
- Borrowings Ksh1.5bn (FY2024: Ksh2.0bn)
- Retained earnings Ksh3.0bn (FY2024: Ksh2.9bn)
- Other reserves Ksh2.9bn (FY2024: Ksh3.8bn)

Manufactured Capital

Our business and channel structure, fixed assets, IT systems, and the infrastructure we use

- 6 state-of-the-art manufacturing plants
- Bespoke IT infrastructure
- Renovated key production lines
- Modern milling plants

Human Capital

Our culture and our solution-oriented people, experienced leadership, and teams

- Motivated and engaged workforce
- Reorganised management structure
- Experienced, committed, and ethical board and leadership
- Safe working policies, practices, behaviours and environment

Intellectual Capital

Our digital innovation, automation and risk management infrastructure

- Technical expertise, skills and technology
- Promotion of innovation
- Enhanced 'Follow the Grain' strategy
- Sales Force Automation System

Social and Relationship Capital

Our stakeholder relationships and reputation, including the communities in which we operate

- Active participation in public policy forums
- Ongoing engagements with customers, suppliers, employees, government, regulators and communities
- Stakeholder engagement structures aimed at building constructive, beneficial partnerships
- A supplier code of conduct

Natural Capital

- Strategic waste management in place
- Renewable energy and energy efficiency strategies in place
- Sustainable sourcing
- Strategic initiatives to reduce carbon footprint

STRATEGIC APPROACH TO TRADE-OFF DECISIONS

Board Commitment to Sustainable Strategy

The Board has undertaken a deliberate evaluation of strategic trade-offs, fully recognising that certain decisions may result in short-term financial impacts. However, these choices are guided by a long-term vision that prioritises enduring value across multiple forms of capital, including environmental, social, and human.

In line with this commitment, the Board remains steadfast in its efforts to reduce the Group's environmental footprint and actively address climate change.

This is being achieved through targeted, sustainable investments in renewable energy, responsible sourcing, and other initiatives that support a resilient and low-carbon future.

Shared value for our stakeholders

OUTCOMES

Financial Capital

- Revenue: Shs 26.1bn ↑10.2% (FY 2024: Shs 23.7bn)
- Gross Profit: Shs 2.5bn ↑53% (FY 2024: Shs 1.6bn)
- Operating Profit: Shs 704m (FY 2024: Loss of Shs 276m)
- Profit After Tax: Shs 222m ↑(FY 2024: Loss of Shs 670m)
- Finance Costs: Shs 395m ↓29% (FY 2024: Shs 559m)
- Earnings per Share: Shs 1.73 ↑(FY 2024: Loss per share Shs 5.94)

Manufactured Capital

- Market leading products – Jogoo, Hostess, animal feeds
- Solar energy project 100% commissioned
- Capacity Utilisation: Wheat milling 31%, Maize milling 62%
- Throughput: Maize Mill 7.58 t/hr, Wheat Mill 12.76 t/hr
- Maize milling plants enhanced
- Operational Equipment Effectiveness growth from 69% to 92%

Human Capital

- 47% reduction in accidents (10 vs 19 in 2024) across all sites
- Zero fatalities
- 42% internal mobility rate (70% target by 2027)
- 89% uptake of Learn n Grow eLearning platform
- Employee retention rate: above 80%
- Staff rewards and benefits: Shs 819m

Intellectual Capital

- Delivered differentiated products to customers
- Enhanced investment in robust cybersecurity defence mechanisms
- 100% pass rate on mock phishing attack tests
- Deepened investment in emerging technologies
- Average of 69 monthly orders on Bidhaa Mlangoni
- Additions to goodwill, intangible and other assets

Social and Relationship Capital

- Maintained constructive stakeholder engagement
- Strengthened investor confidence
- Prioritised local procurement
- Exchanges with Government, including taxes collected on its behalf: Shs 976m

Natural Capital

- Solar energy project 100% complete
- Total energy savings to date: Shs 1,166,459.
- The total carbon emission avoided: 21,853.17 Kgs
- 24% of fleet replaced with fuel-efficient vehicles
- Strategic water conservation strategies implemented

STRATEGIC APPROACH TO TRADE-OFF DECISIONS

Deliberate Transition and Long-Term Sustainability

The Board remains acutely aware of the risks associated with material transitions and is committed to implementing changes in a measured and gradual manner. This approach ensures that the interests of all stakeholders are respected and integrated throughout the transformation process.

Rather than prioritising short-term gains, the Board adopts a long-term strategic perspective. It has established a comprehensive framework grounded in a deep understanding of the Group's opportunities and risks.

This foundation enables continuous adaptation and positions the Group to make a lasting and meaningful contribution to sustainable production in the years ahead.

THE STRATEGY DRIVING OUR BUSINESS

A Focus on Agility and Preparedness

In response to a dynamic and challenging operating environment, the Group adopted a focused two-year planning horizon aimed at reinforcing near-term resilience, stabilisation, and measured growth. This strategic shift reflects a deliberate emphasis on agility and preparedness, enabling the Group to respond effectively to emerging trends and risks.

The revised strategy centres on operational efficiency, disciplined cost management, and targeted investments in high-impact areas that support sustainable value creation. It underscores the Group's commitment to leveraging core strengths, enhancing operational performance, and delivering value to all stakeholders. Designed to balance short-term operational needs with a long-term vision, the strategy positions the Group to become a market leader in human and animal nutrition across East Africa.

1. Strengthening Market Leadership

The Group's strategic decision to refocus on its core business lines, particularly in human and animal nutrition, marks a conscious shift toward reinforcing its foundational strengths. Unga has long been recognised for its production of staple food products and high-quality animal feeds. By concentrating on these areas, the Group capitalises on its established brand equity, deep market knowledge, and operational expertise to maintain leadership in these critical sectors.

This renewed focus enables optimal resource allocation, investment in product quality, and targeted growth in key markets. The restructuring of the business portfolio, including the exit from non-core products, further supports the strategy of concentrating on areas with the greatest competitive advantage.

2. Deepening Consumer Relationships

A key pillar of the revised strategy is the Group's commitment to deepening its relationship with consumers through enhanced customer-centricity. Recognising the importance of understanding and aligning with customer needs, the Group is implementing initiatives that include direct consumer engagement, improved product quality, and a focus on affordability—particularly in light of prevailing economic challenges.

This approach is expected to strengthen brand loyalty and encourage repeat business, thereby expanding market share while upholding premium product standards. By fostering closer ties with its customer base, the Group aims to remain a trusted partner in everyday life.

3. Driving Operational Excellence

To support strategic objectives, the Group has embarked on a journey of continuous improvement in operational efficiency. Recent restructuring efforts have resulted in a leaner, more agile organisation capable of swift decision-making and rapid adaptation to market changes. Streamlining the management structure has eliminated unnecessary layers, allowing for sharper execution and outcome-driven performance.

Investments in process optimisation across the value chain, from procurement to production and distribution, are reducing waste, lowering costs, and enhancing productivity. This commitment to operational excellence ensures the Group remains responsive to market dynamics while maintaining high standards of quality and service delivery.

4. Innovation and Sustainability

Innovation remains central to the Group's strategic vision. While fortifying its core businesses, the Group continues to explore opportunities in product development, digital transformation, and operational sustainability. Product innovation efforts are focused on enhancing nutritional value and meeting evolving consumer preferences.

Sustainability is deeply embedded in the Group's operations and future planning. Ongoing investments in renewable energy, such as solar power projects at production facilities, demonstrate a commitment to environmental stewardship. These initiatives reduce the Group's carbon footprint and energy costs, aligning operations with global best practices and reinforcing its role as a responsible corporate citizen.

5. Long-Term Value Creation

The Group's strategic framework is designed to deliver long-term value to shareholders, customers, employees, and the communities it serves. By focusing on core strengths, enhancing customer-centricity, driving operational efficiency, and embedding sustainability into its business model, the Group is repositioning for sustained growth and resilience.

Strategic Outlook

As the Group looks to the future, its strategy remains anchored in strengthening core business lines while exploring adjacencies that complement the existing portfolio. This balanced approach allows the Group to remain resilient in the face of short-term challenges while laying the groundwork for long-term growth.

Key strategic priorities for the coming year include:

- Deepening customer-centricity through enhanced engagement and tailored offerings
- Expanding digital capabilities to support data-driven decision-making and customer interaction
- Accelerating sustainability initiatives across the value chain
- Investing in talent development to build leadership capacity and operational excellence
- Exploring new market opportunities that align with the Group's strengths and values.

Strategic Outcomes and Impact

The Group's revised strategy is designed to deliver measurable outcomes across multiple dimensions:

Strategic Focus	Expected Outcomes
Customer Focus	Increased customer loyalty, satisfaction, and advocacy
Product Excellence	Enhanced product quality and alignment with consumer expectations
Operational Efficiency	Improved productivity, reduced costs, and faster time-to-market
Sustainability	Lower environmental footprint and stronger community partnerships
Innovation	Introduction of relevant, high-impact products and services
Talent Development	Higher employee engagement, retention, and leadership readiness
Technology Adoption	Scalable, future-ready systems that support strategic agility

These outcomes are not just metrics, they are indicators of the Group's ability to create long-term value for all stakeholders. By executing its strategy with discipline and purpose, Unga is building a resilient, innovative, and sustainable business that is well-positioned to thrive in the years ahead.

OUR STAKEHOLDER ENGAGEMENT STRATEGIES

Capital impacted: Social & Relationship Capital

Unga Group's commitment to building strong, enduring relationships with customers, farmers, suppliers, communities, other stakeholders remains central to its long-term strategy. In FY2024/25, the Group deepened its customer-centric approach, expanded digital engagement, strengthened farmer capacity, and advanced community investment, while embedding shared value creation across its operations.

Customer-Centric Approach

Unga continued to evolve its customer satisfaction tracking and resolution processes, conducting surveys at its call centre and maintaining continuous issue resolution protocols. These efforts have enhanced responsiveness and improved service delivery.

Customer feedback played a pivotal role in product innovation, particularly in packaging enhancements. For instance, batch number printing was enhanced on some products, improving visibility and traceability.

In response to economic pressures and shifting consumer needs, Unga introduced smaller, pocket-friendly pack sizes and enhanced its fortified maize and wheat flours to support household nutrition. Pricing strategies were continuously reviewed in line with raw material costs to ensure customers received optimal value.

Digital Engagement & Innovation

Unga's digital engagement strategy expanded significantly, building on last year's presence across different platforms. The Group amplified its reach through engaging content on Facebook, Instagram, and TikTok, educational videos on YouTube, influencer collaborations, and thought-leadership posts on LinkedIn, targeting both consumers and professionals.

Digital platforms such as Unga.shop, UClient, and the Fugo Smart App delivered measurable impact, including simplified online ordering for households and small businesses, streamlined distributor order management, and enhanced farmer loyalty through advisory tips and direct product access.

New digital innovations included payment integrations and order tracking notifications, further improving convenience. Leveraging analytics from these platforms, Unga gained deeper insights into shifting consumer trends across demographics, enabling tailored communication and product adaptation.

Farmer & Supplier Capacity Building

Unga reinforced its commitment to local farmers by offering training in farm management, feed formulation, and access to input credit. These initiatives fostered long-term partnerships and improved productivity.

Building on regional seminars introduced last year, Unga trained over 150,000 farmers, both large- and small-scale, on best practices in dairy, poultry, and beef farming.

To promote sustainable agriculture, Unga championed climate-smart practices such as efficient feed utilisation, manure management for biogas production, and water-saving technologies for dairy farms. These efforts reduced operational costs and enhanced farm resilience.

Community Investment & Support

Unga supported impactful community programmes, including school feeding initiatives at Kariobangi Primary School, providing fortified porridge and maize flour to improve child nutrition.

The Group also partnered with RVO (Dutch Government), Bless Dairies, and Trow Nutrition to launch an impact cluster programme aimed at equipping dairy farmers with the tools and knowledge to run successful milk collection centres.

Flagship CSR initiatives focused on empowering livestock farmers through knowledge-sharing forums, farmer field days, and demonstration projects. Training covered calf rearing, poultry vaccination, cost-efficient feeding, silage-making, and pasture improvement, enhancing resilience and agribusiness success.

Impact assessments were conducted through surveys with consumers and farmers, measuring improvements in household and animal nutrition.

Partnerships & Stakeholder Engagement

Unga deepened its collaboration with government agencies such as NEMA, advancing recycling initiatives through supplier partnerships. County-level engagements supported farmer training and the cultivation of key raw materials like maize and soya, alongside livestock capacity building.

Trust with regulators, customers, investors, and communities was strengthened through regular open forums and transparent communication—particularly during market surveys and supply challenges. These engagements contributed to the development of industry standards that ensure safe and nutritious products.

Partnerships with NGOs, development agencies, and universities provided technical expertise, farmer training, funding for smallholder projects, and research support for feed and crop innovation.

Future Outlook: Building Shared Value

Shared value creation is embedded in Unga's core strategy through its FIRST values:

- **Fun:** Cultivating an engaging workplace and interactive customer activations
- **Integrity:** Upholding ethical practices and transparent communication
- **Responsibility:** Promoting sustainability and community investment
- **Speed:** Empowering teams through streamlined workflows and digital platforms
- **Team (Consumer-led):** Co-creating solutions with farmers, distributors, and customers.

Changing customer expectations around health, nutrition, and convenience are shaping product innovation. Unga is responding with fortified, ready-to-cook products and safe, aflatoxin-free feeds that support wellness and reduce exposure to chronic illnesses.

Emerging opportunities include digital commerce, health-conscious products, contract farming models, and sustainability initiatives like solar power. Risks such as shifting consumer trends, rising expectations for traceable foods, climate change, and inflation are being addressed through investment in innovation, quality controls, digital engagement, and transparent communication.

Unga remains committed to creating sustainable value for all stakeholders, protecting its legacy while building a resilient future.

Looking Ahead, Unga will focus on:

- **Improving farmer livelihoods**
- **Enhancing digital convenience**
- **Driving nutrition-led product innovation**
- **Leveraging its heritage to ensure long-term continuity**

OUR MATERIAL MATTERS

In line with the principles of integrated reporting, Unga Group identifies and discloses material matters. These are the issues that substantively affect the Group's ability to create value over the short, medium, and long term. These matters are determined through a structured process that includes stakeholder engagement, risk assessment, and strategic alignment. They reflect the dynamic operating environment, evolving stakeholder expectations, and the Group's commitment to sustainable value creation.

For the financial year under review, the following material matters were identified as having the most significant impact on the Group's performance and strategic direction:

Rising Raw Material Costs

Global supply chain disruptions, currency fluctuations, and geopolitical tensions contributed to a substantial increase in the cost of raw materials, particularly grains and agricultural inputs. As a business heavily reliant on these commodities, Unga Group experienced margin pressures that required swift and strategic responses.

To mitigate these challenges, the Group:

- Strengthened supplier relationships to secure more stable pricing and supply
- Explored local sourcing opportunities to reduce import dependency
- Enhanced procurement planning and forecasting through data-driven tools

These actions helped cushion the impact on production costs and ensured continuity in product availability, reinforcing the Group's resilience in a volatile market.

Elevated Finance Costs

The macroeconomic environment during the year was characterised by rising interest rates and constrained liquidity, leading to increased finance costs. This had implications for working capital, capital expenditure, and overall financial flexibility.

In response, the Group:

- Reassessed its capital structure and refinanced select facilities
- Reduced its borrowings, leading to lower interest cost pressures
- Strengthened cash flow forecasting and treasury management practices

These measures enabled the Group to maintain financial discipline while continuing to invest in strategic priorities such as innovation, sustainability, and talent development.

Intensified Market Competition

The competitive landscape in the food and feed sectors intensified, driven by new market entrants, aggressive pricing strategies, and shifting consumer preferences. Unga Group faced heightened competition across its core categories, necessitating sharper differentiation and customer engagement.

Strategic responses included:

- Streamlining the product portfolio to focus on high-performing, brand-aligned categories
- Investing in marketing and digital engagement to strengthen brand equity
- Enhancing customer experience through improved service delivery and affordability

These initiatives supported the Group's efforts to retain market leadership while adapting to evolving consumer dynamics.

Technology and Digitisation

Technology is a key enabler of operational efficiency, customer engagement, and strategic agility. Recognising this, the Group initiated a comprehensive review of its technology landscape during the year.

Key developments included:

- Conducting a value audit of existing IT systems to assess alignment with strategic goals
- Expanding business intelligence capabilities to support data-driven decision-making
- Embedding digital tools into core functions such as supply chain, sales, and customer service

These efforts are laying the foundation for a digitally enabled enterprise that is responsive, efficient, and future-ready.

Cyber Security

As digital adoption accelerates, so too do the risks associated with cyber threats. Cybersecurity emerged as a material concern, with potential implications for data integrity, operational continuity, and stakeholder trust.

To address this, the Group:

- Strengthened its cybersecurity governance and protocols
- Conducted risk assessments and employee training on digital hygiene
- Upgraded IT infrastructure to enhance resilience and threat detection

Cybersecurity is now embedded into the Group's enterprise risk management framework, ensuring that digital transformation is pursued responsibly and securely.

Sustainability and Business Transformation

Sustainability is not a parallel agenda; it is central to Unga Group's business strategy. The Group recognises that long-term value creation is intrinsically linked to environmental stewardship, social impact, and governance excellence.

During the year, the Group:

- Expanded farmer support programmes focused on sustainable agricultural practices
- Invested in renewable energy projects, including solar installations at production facilities
- Accelerated the work on developing a sustainability strategy

These initiatives reflect the Group's commitment to responsible growth and its role as a catalyst for positive change in the communities it serves.

Looking Ahead

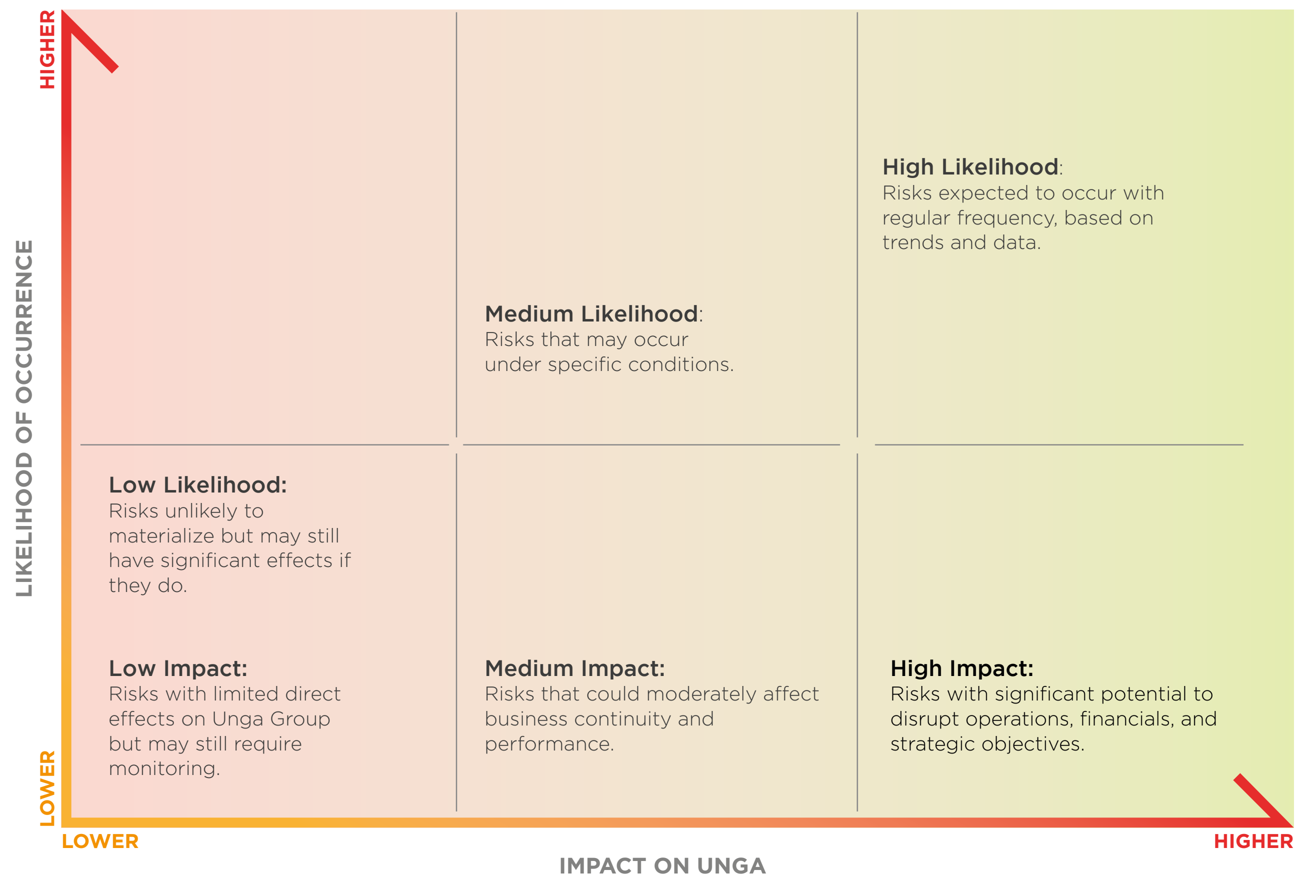
The identification and management of material matters are integral to the Group's strategic planning and risk management processes. As the operating environment continues to evolve, Unga Group remains committed to regularly reassessing its material issues in consultation with stakeholders.

By proactively addressing these matters, the Group ensures that its strategy remains relevant, resilient, and aligned with its purpose: to nourish lives and livelihoods across East Africa.

Unga's Materiality Matrix

A materiality matrix visually represents the Group's most critical business risks and material matters based on their likelihood and impact. The matrix is derived from the comprehensive assessment of external and internal risks, including feedback from stakeholders, industry reports, and Unga Group's Enterprise Risk Management (ERM) framework.

Below is the 2024/2025 financial year Materiality Matrix, highlighting key areas of concern:



OUR MATERIAL MATTERS

Risk Ranking and Mitigation Strategies

Risk Category	Likelihood	Impact	Mitigation Strategies
Foreign Exchange Fluctuation	High	High	Hedging, local sourcing of raw materials, contracts requiring payment in local currency
Supply Chain Disruption	High	High	Alternative sourcing, supplier development, raw material aggregation
Fluctuating Commodity Prices	High	High	Strategic raw material sourcing, financial hedging
Competition (Small Millers)	High	Medium	Price competitiveness, product quality leadership, market diversification
Climate Change	Medium	High	Sustainability assessments, climate risk integration into strategy
Economic Factors (Inflation, Interest Rates)	Medium	High	Cost optimisation initiatives, negotiation for favorable credit terms, foreign currency liability conversions
Technological Advancements	Medium	Medium	Investment in technology, phased adoption of tech solutions
Regulatory Changes	Medium	Medium	Proactive compliance with new laws, regulatory scanning
Cybersecurity Risks	Medium	Medium	Cybersecurity staff training, penetration testing, AI-driven solutions, robust IT infrastructure
Product Safety Issues	Low	High	Quality leadership project, supplier audits, stringent safety protocols
Product Recalls	Low	Medium	No incidents in 2025, continuous monitoring of product safety
Legal & Compliance Issues	Low	Medium	Quarterly risk audits, follow-up actions on audit recommendations, staff legal training

High-Impact Risks

1. **Foreign Exchange Fluctuation:** Continued volatility in forex markets has continued to exert pressure pressure on Unga's profit margins and costs. The Group has effectively mitigated these risks by adopting hedging strategies, converting foreign-denominated liabilities into local currency, and prioritising local sourcing of critical inputs.

2. **Supply Chain Disruption:** Global supply chain interruptions, exacerbated by fluctuating commodity prices, remain a major concern. The Group has taken decisive steps such as building supplier relationships, sourcing from alternative markets, and developing local capacity.

3. **Climate Change:** The sustainability agenda has elevated climate-related risks to a high-impact category as Unga integrates climate considerations into its core risk management processes. This includes working towards reducing carbon footprints and incorporating climate-resilient farming practices.

4. **Economic Factors:** Inflationary pressures, interest rate increases, and a weakening shilling pose continuous risks to the company's cost base. Unga has responded with comprehensive cost optimisation initiatives and tactical sourcing.

Medium-Impact Risks

1. **Competition from Small Millers:** The presence of small millers offering low-priced products has increased competitive pressure. Unga has responded by doubling down on quality differentiation and capacity building.

2. **Technological Advancements:** Adapting to new technologies in the manufacturing process has required phased investments. The Group has managed the costs and disruptions associated with this while striving for increased efficiency through gradual adoption.

3. **Regulatory Changes:** Recent governmental levies and regulations, such as the NSSF Act and the Housing Levy, pose additional compliance challenges. Unga continues to stay ahead through timely adjustments and consultations with industry experts to mitigate these impacts.

Low-Impact Risks

1. **Cybersecurity Risks:** Although the frequency of cyber-attacks has remained low, the potential damage of such an event warrants attention. The Group has bolstered its defenses through staff training, penetration testing, and the use of AI-driven systems to monitor and respond to threats.

2. **Legal and Compliance Issues:** Legal exposures are minimal but monitored carefully, with the Group having established a quarterly review system for following up on governance and compliance recommendations.

3. **Product Recalls and Safety:** The Group has not faced any product recalls or significant safety issues, attributed to its rigorous quality control measures and supplier partnerships. However, these areas remain a critical focus for safeguarding the brand's reputation.

Future Risks

1. **Emerging Risks from Climate Change:** The Group recognises that climate-related risks, particularly erratic weather patterns, are likely to intensify. The company's efforts toward operational optimisation and sustainability strategies will play a vital role in mitigating these risks.

2. **Inflation and Economic Downturn:** While current inflation and interest rate risks are manageable, a future economic recession could significantly impact consumer demand and profitability.

Conclusion

The Group's materiality matrix provides a comprehensive view of the business' most significant risks and opportunities. By proactively managing high-likelihood and high-impact risks, the Group has positioned itself to remain resilient amid market fluctuations, regulatory changes, and environmental challenges.

Going forward, Unga's commitment to sustainability, operational efficiency, and stakeholder engagement will ensure that it is well-prepared to navigate future uncertainties.

OUR INTEGRATED APPROACH TO AUDIT AND RISK MANAGEMENT

Strategy, Evolution & Integration

In FY2024/25, the strategic merger of Internal Audit with Risk & Compliance marked a pivotal step in enhancing governance at Unga Group. Operating under a unified leadership structure, the two functions have maintained their independence while delivering a more integrated and comprehensive approach to risk oversight. This synergy has yielded measurable benefits, including:

- Streamlined processes and improved operational efficiency
- Enhanced cross-functional communication
- A consolidated enterprise risk framework that empowers the Board and management with deeper insights for informed decision-making.

Aligned with Unga's two-year strategic focus, risk management has been embedded into both strategic planning and operational reviews. This integration enables early identification of emerging risks and ensures mitigation strategies are directly aligned with Group priorities. The transition to a digital-first operating model has further amplified the function's effectiveness.

Through advanced data analytics and continuous auditing, the team has implemented rigorous monitoring of high-risk transactions and control testing, accelerating issue detection and enabling timely corrective action.

Despite shifting business priorities and resource constraints, 82% of the annual audit plan was successfully executed. The remaining 18% was reprioritised using a risk-based approach, ensuring that high-risk audits were completed and escalated to the Board Audit & Risk Committee for oversight.

Assurance Model and Governance Structure

Assurance Layer	Key Role	Mechanisms of Oversight
1 **First Line** — Management & Operations	Owns and manages risks	Standard operating controls, SOPs, delegated authority
2 **Second Line** — Risk & Compliance Function	Sets governance frameworks and monitors adherence	Risk registers, policy compliance reviews, regulatory tracking
3 **Third Line** — Internal Audit	Provides independent assurance	Risk-based audits, investigations, follow-ups
Board Audit & Risk Committee	Oversight and accountability	Periodic risk reviews, management response tracking

Risk Management and Control

During the year, the most significant risks identified included:

- Rising raw material costs
- Elevated finance costs
- Intensified market competition

In response, the Internal Audit & Risk function conducted targeted assessments and audits, reinforcing monitoring mechanisms to support timely mitigation. To navigate external pressures, such as economic volatility, high interest rates, and evolving government policies, the team employed risk heatmapping and exposure mapping techniques. These tools provided clear visibility into high-risk areas, enabling sharper audit prioritisation and more robust executive decision-making.

Key outcomes included:

- Improved raw materials management
- Enhanced process automation for operational resilience
- Strengthened cybersecurity and data privacy protocols, particularly for digital platforms like Unga.shop and the Fugo Smart App

Governance and Accountability

Governance was further strengthened by the appointment of a new Board member with deep expertise in audit and risk. This addition enriched Board discussions and sharpened oversight of internal controls, with a renewed focus on cost optimisation and sustainability governance, both vital to long-term resilience.

Internal Audit continues to drive systemic improvements by:

- Identifying root causes of control lapses
- Highlighting cross-functional themes across business units
- Supporting the enhancement of governance frameworks and sustainable controls

Safeguarding Unga's competitive edge in product quality and food safety remains a core priority. Risk-based reviews of plant operations, regulatory compliance, and data integrity in quality assurance processes ensure consistent adherence to standards.

Whistleblowing and fraud reporting mechanisms have yielded actionable insights, leading to corrective actions and proactive compliance reviews that reinforce Unga's ethical culture.

Technology, Digitisation & Data Analytics

Internal Audit is preparing to deploy advanced data analytics, digital monitoring, and continuous auditing tools to expand the scope, speed, and precision of assurance activities. These tools will:

- Enhance risk coverage
- Enable earlier anomaly detection
- Accelerate audit execution for timely assurance

In FY2024/25, the function played a central role in overseeing the Group's digitisation and automation initiatives. Key contributions included:

- Evaluation of new IT controls
- Support for automation projects
- Cybersecurity readiness assessments

Audits of order-to-cash processes and general IT applications informed improvements in credit risk governance, system access management, and application security. As technology-related risks evolve, Internal Audit continues to refine its methodologies in collaboration with IT security and data governance teams, ensuring safe and resilient digital adoption across the Group.

Audit Plan, Scope & Execution

The FY2024/25 Audit Plan targeted critical business processes, strategic initiatives, and key risk areas. Risk-based adjustments allowed the function to remain agile, providing assurance where it was most needed. In addition to planned audits, the team conducted unplanned reviews, including fraud investigations and management-requested audits, demonstrating responsiveness and flexibility.

Management's implementation of audit recommendations remains strong, with improved closure rates and sustained monitoring. Looking ahead, audit priorities will focus on:

- Digital transformation
- Supply chain resilience
- Regulatory compliance

These areas are essential to supporting Unga's evolving operating model and navigating market pressures.

Sustainability and Business Transformation

Internal Audit continues to assess the effectiveness of sustainability initiatives such as:

- Solarisation
- Biomass boiler deployment
- Circular economy practices

These reviews ensure that sustainability efforts deliver intended value while managing associated risks. The function also supports compliance with environmental, health, and safety regulations through targeted audits and monitoring.

OUR INTEGRATED APPROACH TO AUDIT AND RISK MANAGEMENT

To safeguard Unga's reputation, Internal Audit evaluates controls around:

- Product quality
- Food safety
- Supply chain integrity

These efforts reinforce the Group's commitment to stakeholders and sustainable growth.

Looking Ahead: FY2025/26 Priorities

The Internal Audit & Risk function will focus on three strategic pillars:

1. **Automation & Integration**
   Implement an integrated Audit, Risk, Compliance & Data Analytics system to enhance efficiency and deepen risk insights.
2. **Cybersecurity & Data Privacy**
   Strengthen assurance capabilities in response to digital expansion and increased reliance on online platforms.
3. **Sustainability & Governance**
   Support the Group's sustainability goals and governance practices in line with evolving regulatory expectations.

To prepare for emerging risks, including regulatory shifts, digital disruption, and climate-related challenges, the team is investing in continuous training, adopting new technologies, and fostering close collaboration with business units.

Our focus is on leveraging technology, strengthening governance, and building resilience to protect Unga's future and create sustainable value.

05 Our Performance Against Strategy

As we navigated a dynamic macroeconomic landscape, we remained anchored in our purpose to provide quality human and animal nutrition and to contribute meaningfully to Kenya's food security and economic development.

OPERATIONAL UPDATE

Capitals Impacted: Manufactured, Financial, Natural

Strategic Re-engagement with Prudent Capital Investment

In FY2024/25, Unga adopted a disciplined approach to capital investment; one that favoured precision over scale. After pausing major capital expenditure during the previous year due to the challenging trading environment, the return to profitability provided room to cautiously re-engage in select capex projects.

During the year under review, the approach to Manufactured Capital turned to strategic, high-return investments. The Group cautiously re-engaged in capital expenditure (CapEx), ensuring every investment directly targets core operational excellence, product quality, and long-term sustainability. Unlike past years, where expansion or diversification may have driven capex decisions, FY2024/25 was about restoring operational sharpness. The guiding principle remains the protection of cash flow while focusing on projects with strong, rapid returns.

Operational Rationalisation and Efficiency Gains

The most significant achievement in Manufactured Capital this year was the successful rationalisation of the milling footprint. Beyond equipment upgrades, one of the most significant capital decisions was the strategic relocation of milling operations closer to raw material sources. By moving maize processing to Eldoret, nearer to key growing regions, and concentrating wheat milling closer to the import entry point, Unga achieved a structural reduction in logistics and handling costs. The result is lower production costs, faster lead times, and greater reliability in supply.

These moves collectively lowered the cost of manufacture and enhanced supply reliability, freeing up resources to invest in quality and efficiency upgrades.

Targeted Investments for Superior Quality

The Group initiated and completed several high-impact projects designed to modernise its processes and elevate product quality to remain competitive against new market entrants. The focus was not on expansion but on optimisation to enhance and improve product quality and yield.

The benefits of these efficiency drives are already visible in the throughput metrics. Year-to-date, maize mill throughput realised a slight but significant increase over last year by 3%, while wheat mill throughput rose by 5%.

Capacity Utilisation

Capacity utilisation remained robust and resilient across segments, reflecting better baseline efficiency following strategic restructuring. While wheat milling saw a highly seasonal pattern, averaging around 31% year-to-date, the maize mill maintained consistently strong utilisation, averaging around 62%. This stable performance indicates that the operational improvements are delivering sustainable output in our most resilient category.

Metric	Wheat Milling (Human Nutrition)	Maize Mill
Full Year YTD Average	31%	62%
Stability Trend	Highly seasonal pattern	Stable and resilient demand
Start of Year (Jul–Aug '24)	Very low (2-3%)	Consistently high (50-78%)
Peak Performance (Dec '24)	Sharp build-up, peaking at 89%	Notable spike, peaking at 94%
End of Year (Jun '25)	Easing to mid-range (30-50%)	Relatively strong (65%)

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

Occupational Health and Safety

The Group made significant strides in strengthening its safety culture and performance during the year under review. Its proactive approach to OHS has yielded measurable and impressive results, demonstrating the Group's commitment to protecting its people and minimising operational risks.

Measurable Improvement in Safety Performance

The Group's investment in a holistic safety culture programme resulted in a material reduction in incidents. **The total number of reported accidents dropped by a substantial 47% across all sites, falling from 19 incidents in the prior year to 10 in the current year.** Crucially, the Group maintained a record of zero fatalities and continued to prioritise the prevention of Lost Time Incidents (LTIs).

This success is driven by two key factors:

i. **Proactive Reporting:** New initiatives, including weekly safety talks, refresher sessions, and the encouragement of Near Miss and behaviour-based reporting, have empowered Unga employees. This has fostered a culture where employees are now more willing to report and seek treatment for minor injuries, allowing the Group to identify and mitigate hazards before they escalate.

ii. **Leadership Accountability:** Safety is embedded into the daily workflow. Supervisors are directly accountable for the timely reporting and execution of corrective actions following every incident. Furthermore, accident trends are systematically reviewed in monthly management meetings, ensuring safety performance is a key part of leadership oversight.

Tangible Cost and Cultural Benefits

The reduction in serious accidents provides a direct benefit to financial capital by preventing potential increases in costs tied to medical claims, compensation, and downtime.

The Group's commitment to Occupational Health and Safety (OHS) was reinforced through daily safety talks and toolbox meetings that have strengthened hazard awareness and empowered employees to own safety. It also introduced real-time online reporting for unsafe acts or conditions, embedding safety performance directly into the daily operational reviews and leadership accountability.

This focus on Toolbox meetings and standardised induction ensured new and existing staff maintained high levels of hazard awareness, reinforcing safe practices and enabling a continuous improvement cycle in the manufacturing operations.

Quality Assurance and Consumer Protection

The commitment to quality assurance is paramount, driven by a philosophy of continuous improvement and real-time operational control. This year, the Group prioritised initiatives that enhance the nutritional value of its products and introduced decentralised technology to ensure instant quality verification.

Real-Time Quality Control

To maintain leadership in a competitive market, the Group has invested in decentralising quality control away from a single laboratory model. Most notable was the installation of specialised analysis machines to measure critical nutrients, significantly quickening decision-making and eliminating the over-reliance on the central laboratory.

Under the animal nutrition segment, the approach involved close collaboration between Quality Assurance and the Business Development teams to ensure that all formulation adaptations were managed for peak performance, guaranteeing optimal conversion rates for the animals.

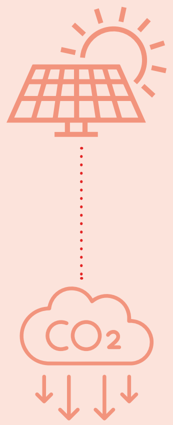
Driving Improvement Through Feedback

Consumer trust remains the most valuable asset. Unga operates a systematic process where all complaints are immediately logged into a dedicated tracker. The Quality Assurance team then conducts a Root Cause Analysis (RCA) for every reported issue, allowing the Group to derive specific, measurable countermeasures. This constant feedback loop drives sustainable improvement, reinforcing Unga's status as a trusted supplier of nutritious and safe products.

Sustainability in Manufacturing: Reducing Costs with Clean Energy

Unga's manufacturing operations are intrinsically linked to its environmental sustainability goals, driving key initiatives that reduce both its carbon footprint and operating costs. This year, sustainability proved to be a powerful driver of financial efficiency.

Solar Project Delivers Financial and Environmental Wins



The successful utilisation of solar power for production delivered quantifiable cost savings. The average monthly electricity bill dropped by approximately **Ksh. 50,000**, *culminating in total savings of* **Ksh. 1,166,459** *since the project's installation.*

Environmentally, the project has resulted in **21,853.17 kg of carbon emission avoided**, *providing clean energy during peak production hours.*

OPERATIONAL UPDATE

Integrating Circular Economy Principles

Beyond solar power, Unga has embedded circular economy practices across its facilities to maximise resource efficiency:

- **Resource Conservation:** Unga implemented the automation of lighting using motion sensors in staff areas, ensuring lights are only on when needed. It also actively collects and utilises rainwater for general use, significantly reducing the reliance on municipal water.

- **Waste Management:** A rigorous waste segregation practice has been adopted across all sites, making it easier for service providers to recycle and reuse by-products, minimising the environmental impact.

- Future priorities include installing an additional **solar system with battery backup** for essential night shift lighting and to act as a UPS for critical equipment, further embedding green manufacturing into 24-hour operations.

Embedding Sustainability for Long-Term Value

The Group will continue to drive investments that directly link manufactured capital to its sustainability goals. The financial success of **the current solar initiative, which saved over Ksh. 1.1 million this year,** validates **Unga's commitment to clean energy**. The future priorities include expanding this strategy by installing an additional solar system with battery backup to support minimal night shift operations, ensuring green manufacturing practices are embedded around the clock.

Conclusion and Looking Ahead

The year under review marked a critical transition for Unga, shifting from a period of necessary deferral to one of strategic and disciplined re-engagement. The success was rooted in operational rationalisation, with the realignment of Unga's milling footprint delivering structural efficiency gains by significantly reducing logistics and handling costs. Every capital decision was filtered through the lens of efficiency, quality, and cash flow protection.

SUPPLY CHAIN UPDATE

Capitals Impacted: Social and Relationship, Intellectual

Operating Environment

The FY2024/25 presented a complex operating landscape for Unga's supply chain, marked by raw material scarcity, price volatility, and logistical disruptions. The market experienced poor-quality maize, sunflower seed meal, and soya bean meal, compounded by finger millet crop failures in Tanzania and Uganda that led to scarcity and price surges. Additional pressures included increased minimum wages, new tariffs on imported materials such as paper and by-products from East Africa, and the closure of the Tanzania border, which disrupted maize supply routes.

In response, Unga adopted a multi-pronged strategy to maintain operational resilience. The team identified new raw material sources and accelerated supplier engagement to explore alternative inputs. Strategic supplier development and aggregation planning enabled the Group to secure maize supply and mitigate disruptions.

Key lessons from the year have reinforced the importance of building a shock-resistant supply chain. Unga is now focused on expanding local sourcing capacity and cultivating long-term supplier partnerships that support investment in equipment and quality assurance, ensuring consistency and reliability in supply.

Operational Excellence and Quality

To address the high rejection rate of maize deliveries reported in 2024, Unga strengthened its supplier relationships and quality assurance protocols. This included proactive sampling at supplier stores, farmer training on quality management, and partnerships with aggregators and grain handling facilities to ensure only high-quality maize reaches the plants.

Despite these efforts, 18% of trucks tested were rejected due to poor quality, posing risks to plant operations and increasing the need for rigorous material testing. These rejections have underscored the importance of upstream quality control and supplier accountability.

Progress in regional sourcing has been notable, with new grain sources identified in neighbouring countries and enhanced procurement of pulses from local farmers. These initiatives support both supply continuity and community development.
Cost optimisation remained a key priority. Milling activities were consolidated at locations offering the best cost advantage for both processing and distribution. Additional initiatives included:

- Improved truck capacity utilisation
- Implementation of a revised, cost-effective distribution model
- Expanded use of rail for interplant transfers

These measures have contributed to reduced transportation costs and lower fuel consumption.

Quality Assurance and Customer Satisfaction

Unga's commitment to product quality continues to yield positive results. The Group has maintained rigorous quality assurance protocols, supported by technology-driven systems that monitor compliance and performance. These protocols are measured through internal audits, supplier scorecards, and consumer feedback loops.

Consumer complaints have continued to decline, reflecting improved product consistency and responsiveness. Feedback is tracked through digital platforms and call centre surveys, with insights used to inform product improvements and supplier engagement.

Building on the success of its maize meal, Unga has introduced further innovations in product quality and packaging. These include enhanced fortification, improved labelling, and stricter safety controls.

Even under cost and competitive pressures, Unga remains steadfast in upholding its food safety and nutrition standards. All supply contracts reinforce quality expectations, and suppliers are required to implement strict control measures both at source and during transportation.

Sustainability and Resilience

Unga supply chain made significant strides in sustainability during FY2024/25. **The Group replaced 24% of its fleet with more fuel-efficient vehicles**, *with plans underway to phase out remaining inefficient units. These upgrades have contributed to a measurable reduction in carbon emissions and improved operational efficiency.*

SUPPLY CHAIN UPDATE

Energy-related sustainability initiatives, including the major solar project and biomass boiler installation, have further enhanced supply chain resilience. These projects are delivering cost savings and reducing reliance on non-renewable energy sources, with performance metrics under review by the operations team.

To address geopolitical and policy-related disruptions, Unga is implementing strategies focused on:

- Developing local supply sources
- Exploring alternative raw materials
- Leveraging data analytics to anticipate and respond to emerging risks

These efforts are designed to build a more agile and shock-resistant supply chain.

Innovation and Stakeholder Collaboration

Innovation remains central to Unga's supply chain transformation. The Group is actively automating key processes, including supplier pre-qualification and distribution workflows, in alignment with its broader digital transformation agenda. Insights from the Intellectual Capital and Internal Audit functions are being used to drive continuous improvement and operational efficiency.

Unga is also strengthening partnerships with local farmers through off-take agreements, which are currently being finalised. These agreements will secure high-quality raw materials while contributing to community well-being and economic empowerment in the 2025/26 financial year.

Policy advocacy continues to be a strategic priority. Unga maintains active engagement with industry bodies such as the Kenya Association of Manufacturers (KAM), East African Grain Council (EAGC), and Cereal Millers Association (CMA). Through these platforms, the Group advocates for policies that promote food security, supply chain stability, and fair-trade practices.

Unga's supply chain function remains committed to operational excellence, sustainability, and stakeholder collaboration, ensuring that the Group is well-positioned to navigate future challenges and deliver long-term value.

COMMERCIAL UPDATE

Capitals Impacted: Financial, Social and Relationship, Intellectual

Regaining market share in a highly competitive environment

The commercial strategy in FY2024/25 was executed against a backdrop of intensifying competition and a decisive shift in consumer purchasing patterns driven by the prevailing economic environment. The Group's focus was on defending market leadership in core categories, driving significant growth in animal nutrition, and leveraging digital tools to improve efficiency and route-to-consumer effectiveness.
In the human nutrition segment, aggressive price undercutting by smaller millers tested the loyalty of long-standing customers. In animal nutrition, demand remained stable, but margins tightened as input price volatility constrained profitability.

The commercial function successfully supported the Group's financial recovery by focusing on distribution, which led to a ***10% growth in group revenues*** *versus the prior year. In contrast, operational and distribution costs were controlled to maintain margin stability and ensure sufficient profits for reinvestment.*

Market Dynamics and Competitive Environment

Competition intensified significantly across both human and animal nutrition segments:

In the human nutrition segment, the entry of three new wheat and maize millers witnessed aggressive brand launches and pricing wars. Consumers have become increasingly sophisticated "bargain hunters," chasing price first, offers or extra weight, and then quality second.

Rather than pursuing unsustainable price wars, the Group adopted a measured approach focused on securing cost efficiencies through strategic sourcing and reinvesting gains into trade relationships, pack innovation, and targeted promotions.

In animal nutrition, two multinational feed players began local production, cutting prices to buy their way into farmyards. However, purchase decisions in this segment remain anchored by quality and performance, allowing Unga Farmcare to differentiate its offering.

Across both segments, customers became more price-sensitive than ever, switching brands from one supermarket to the next, or choosing the lowest-cost feed so long as performance remained adequate.

Product Strategy and Brand Performance

During the year under review, while competitors played the price game, Unga chose a more deliberate path. Instead of racing to the bottom, the Group focused on reinforcing the foundations that have anchored its market leadership for generations: trusted brands, consistent quality, strong trade relationships, and a distribution footprint that truly reaches the last mile.

The Group pushed hard on efficiency, allowing it to create room on trade margins without diluting the quality of its products, and channelled those gains into deeper customer loyalty rather than engaging in price wars.

This strategy yielded results. Both wheat and maize categories in Unga Limited delivered double-digit volume growth despite margin pressure.

Brand/ Category	FY2024/25 Performance	Contribution
Pendo® Wheat Flour	Contributed to a 25% increase in overall UNGA volumes	**Volume Growth:** Successfully captured the value-seeking segment, offering high-quality and nutritious products at a competitive price point.
EXE®	Growth of 7% YoY	**Brand Defence:** The Pendo® brand relieved pressure on EXE®, allowing the flagship brand to grow despite aggressive competition
Amana®	Steady growth with new Amana® Spaghetti showing great potential	**Category Expansion:** Successful penetration of the convenience food segment.
Unga Farmcare (Animal Nutrition)	Growth across all categories with a focus on Broiler and Dairy feeds	**Strategic Growth Driver:** Success driven by a strong, motivated sales team, revamped route-to-market, and strong trade partner relationships.

COMMERCIAL UPDATE

What's more, the year proved that innovation isn't always about launching new products; it's about making existing ones work harder. Rather than stretching itself thin, the Group paused new product development to stabilise its portfolio. Feedback from farmers and consumers was channelled directly into refinements that speak to customer needs.

Quality and Fortification: Our commitment to quality was reaffirmed as Unga Limited scooped first place for a second year running in the Kenya Millers Fortification Index, highlighting the Group's adherence to proper nutrition standards despite focusing on value pricing (e.g., Pendo® offers the most nutritious flour in the economy segment).

Route-to-Consumer (RTC) and Distribution

In FY2024/25, there was a transformative shift in how we reached consumers. Recognising that availability is now the true battleground, we expanded physical distribution aggressively, moving products nearer to the customers.

The key commercial priority for the coming year is the rejuvenation of the Route-to-Consumer model for Unga Limited and enhanced technical selling skills for Unga Farmcare.

Among the highlights of the progress made in FY2024/25 to address availability gaps included:

- **Last-Mile Penetration:** For Unga Limited, vans with dedicated sales representatives were deployed to increase coverage in previously underserved areas.
- **Decentralised Access:** Unga Farmcare opened new depots to bring feeds closer to farms and is in the process of opening more depots, to be co-shared with Unga Limited for synergistic distribution.
- **Strategic Partnerships:** The Group successfully engaged third-party service providers for transport and recruited locals in underserved markets to act as distribution agents and brand ambassadors, creating job opportunities while driving penetration.

E-commerce and Digital Strategy: Learning from experience that individual manufacturer platforms face prohibitive cost-to-serve issues, the e-commerce strategy has shifted toward ensuring products are well-listed and promoted on established supermarket e-commerce sites and high-traffic aggregators. In addition, the proprietary Unga-Shop remains active.

Innovation and Technology Enablement

Technology has become a core enabler of business rather than an accessory. With 100% adoption of Unga's U-Client ordering platform across both businesses, every transaction now feeds into a single intelligence layer. Through PowerBI dashboards, Unga tracks not just who is buying, but what is missing, what is trending, and where opportunity lies.

Sales Force Automation has turned sales visits into structured performance, measuring start times, call coverage, strike rate, and even minutes spent in each outlet, ensuring discipline accompanies effort.

These continue to drive commercial efficiency and control:

- **U-Client Adoption:** The U-Client B2B ordering platform achieved 100% adoption and utilisation for both Unga Limited and Unga Farmcare, meaning all orders are processed via the platform. This provides invaluable data on sales trends and empowers customers, resulting in improved experience.
- **SFA Impact:** The Sales Force Automation (SFA) tools are tracked against crucial KPIs, including Call Rate (coverage of planned calls), Strike Rate (orders generated), and Time in Market, ensuring the sales team's efficiency and geographic coverage are continuously optimised.
- **Data-Driven Decisions:** Business analytics via PowerBI provides insights into customer performance, high-demand SKUs, and purchase/sales trends, informing decisions on resource allocation, product culling, and demand forecasting (through the structured S&OP process).

Sustainability and Responsible Business

The commercial function is increasingly integrating sustainability into its operations:

- **Nutrition Leadership:** The award-winning fortification programme ensures proper nutrition is at the heart of Unga's offering, aligning commercial goals with health and wellness trends.
- **Local Sourcing:** A pilot project is underway to source millet from smallholder farmers, directly supporting local communities and building a more resilient, traceable supply chain.
- **Environmental Action:** The Group is actively working with packaging partners to improve recyclability and potential reuse of its packaging, while supporting corporate environmental conservation efforts in partnership with County Governments.

Commercial Vision for the Future

Looking at the year in review, one thing is clear: Unga did not retreat in the face of intensified competition; rather, it recalibrated, playing the long game. Unga chose to win not by being the cheapest, but by being the most reliable, most nutritious, most accessible, and the most trusted partner in the value chain.

Looking into FY2025/26, the ambition remains to regain market share decisively in human nutrition and cement Unga's role as the preferred solutions provider in animal health.

Overall, the commercial division is committed to supporting the Group's goal of balancing shareholder returns with long-term growth by growing revenues and reducing operational costs.

DIGITAL STRATEGY AND TRANSFORMATION AGENDA

Capitals Impacted: Intellectual, Social and Relationship

Unga Group's digital transformation journey continues to deliver measurable impact, guided by the "Follow the Grain" strategy and anchored in the implementation of a unified digital platform. This platform, structured across three core phases, customer order input, product manufacturing, and order distribution with proof of delivery, has significantly enhanced operational efficiency, customer satisfaction, and data-driven decision-making.

Unified Digital Platform: *Architecture & Impact*

The customer order input phase has been a key focus area, with orders now captured through two integrated channels, with the channels connected to SAP, eliminating manual intervention and reducing errors. This automation has streamlined operations, resulting in faster order fulfilment, improved customer satisfaction, and optimised resource utilisation.

Enhancing Customer Experience: *Fugo Smart & Bidhaa Mlangoni*

Unga's commitment to improving the customer journey is evident in the evolution of its digital platforms:

- **Fugo Smart:** A robust animal husbandry and cost management tool, Fugo Smart guides farmers through the lifecycle of their livestock, from birth to sale. It offers feeding schedules, immunisation tracking, supplement recommendations, and batch ledger management. This empowers farmers with actionable insights and ROI clarity.

- **Bidhaa Mlangoni:** An e-commerce platform for human nutrition products, Bidhaa Mlangoni offers detailed product information, pricing, and delivery services for qualifying orders. Supported by a call centre, the platform simplifies product selection and purchasing, enhancing convenience and reducing complaints.

Omnichannel Engagement & CRM Integration
Unga's omnichannel engagement strategy continues to evolve, supported by the Calltronix call center and Kati CRM for email and call management. The e-commerce platform is gaining traction, with the call center actively promoting awareness.

Reach:

349 inbound calls

2,830 outbound calls

221 emails

Conversion: An average of **69** monthly orders on Bidhaa Mlangoni

Customer Loyalty: Still in early stages of development.

These metrics reflect growing engagement and conversion, with further initiatives planned to deepen loyalty.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | **Our Performance** | Human Capital | Our Governance | Financial Review

Robotic Process Automation (RPA): *Efficiency & Expansion*

Unga has embraced Robotic Process Automation to reduce labour costs and enhance customer confidence. Using Microsoft Power Automate, AI-powered bots now read and process PDF purchase orders from modern trade customers, extract order details, and post them directly into SAP. This has:

- Eliminated human error in order processing
- Reduced turnaround time from hours to under five minutes
- Enabled centralised monitoring with minimal staffing.

Innovation, R&D & Data Analytics

Unga Group continues to harness innovation and data science to drive operational efficiency, customer satisfaction, and strategic agility. In FY2024/25, the Group deepened its investment in predictive analytics, AI integration, and IoT technologies, transforming data into actionable insights and embedding intelligence across its value chain.

Predictive Analytics & Demand Forecasting

Through strategic partnerships, Unga established an internal reporting hub and onboarded a dedicated data scientist.

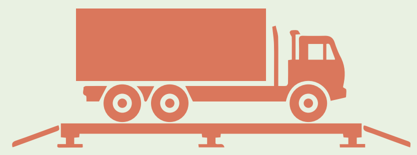
Leveraging historical sales data, the team developed predictive models that now inform weekly Sales and Operations Planning (S&OP) meetings. These models have significantly improved production planning, reducing stockouts and minimising early expiries, delivering tangible business impact.

Data Governance, Infrastructure & Literacy
Unga's data transformation journey is anchored in four pillars:

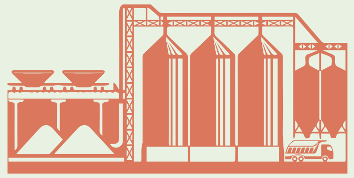
- **Data Governance & Quality:** Role-based access controls and input-level validation ensure data integrity and compliance with Kenya's Personal Data Protection Act (2019).
- **Infrastructure & Visualisation:** A centralised SAP Business Warehouse acts as a data lake, feeding into Power BI dashboards for rapid, intuitive reporting.
- **Data Literacy & Culture:** BI tools now generate periodic and end-of-month reports on demand. Training sessions for Finance, Operations, and Training teams have empowered users to build their own analytics.
- **Master Data Cleanup:** Production master data and work centre capacities have been cleaned and standardised. Equipment and spares data clean-up is ongoing to enhance forecasting accuracy.

IoT & AI Integration

Unga has made notable progress in scaling IoT solutions across its facilities:



- **Weighbridge Automation:** IoT cameras now recognise vehicle number plates, triggering weighbridge actions and eliminating manual errors. Future integration with gate control software will automate vehicle clearance.



- **Silo Management:** Laser rangefinder sensors and AI-driven image recognition are being piloted to tally stock movements in real time, validating dispatches against production and sales orders.

DIGITAL STRATEGY AND TRANSFORMATION AGENDA

AI in CRM, SFA & ERP Systems

AI capabilities embedded in Unga's Sales Force Automation (SFA) system are transforming sales and distribution:

- ***Sales Forecasting:*** Predictive models use historical data, promotions, and seasonal trends to forecast SKU-level demand.
- ***Route Optimisation:*** Algorithms optimise delivery routes based on fleet capacity, inventory, and driver constraints.
- ***Smart Alerts:*** Automated notifications flag potential stockouts and delivery risks.

Beyond SFA, Unga's SAP ERP system now uses historical averages and standard deviations to forecast demand six months ahead, guiding production and raw material planning. AI models also generate optimised delivery trips, assigning routes to available trucks based on cost and time efficiency.

Emerging Technology Evaluation

Unga's ICT strategy is guided by five strategic pillars: Prudent Buying, Efficiency, Volume & Revenue Maximisation, Enhanced Customer Experience, and Data & Security. Emerging technologies are evaluated through rigorous business case analysis and proof-of-concept testing to ensure alignment with these pillars before adoption.

Cybersecurity & Data Privacy

As Unga's digital footprint expands, cybersecurity remains a top priority. In FY2024/25, the Group strengthened its defences against evolving threats, ensuring compliance with data privacy regulations and enhancing employee awareness.

Threat Landscape & Response

Key cybersecurity risks addressed this year include:

- ***Phishing & Business Email Compromise (BEC):*** Mitigated through user awareness training, phishing simulations, and multi-factor authentication (MFA) on email and ERP systems.
- ***Ransomware & Malware:*** Countered with Endpoint Detection & Response (EDR), regular backup testing, and network segmentation to isolate operational technology (OT) from IT systems.
- ***Insider Threats:*** Managed through role-based access controls (RBAC), privileged access monitoring, and coordinated offboarding protocols between HR and IT.

AI-driven intrusion detection systems have played a critical role in identifying and neutralising threats, particularly phishing and BEC attempts. Mail filters and real-time monitoring have enhanced system resilience.

Data Privacy Compliance

Unga maintains a robust data privacy policy aligned with Kenya's Data Protection Act. The policy outlines data handling protocols, user rights, and storage practices.

A registered Data Controller oversees compliance and governance across digital platforms.

Employee Awareness & Preparedness

Regular cybersecurity training and simulated threat testing have significantly improved employee vigilance.

Mock phishing attacks are conducted to assess awareness, with the latest test achieving a 100% pass rate; no users clicked on the simulated malicious link (KnowBe4 Report).

Unga Group's commitment to innovation, data intelligence, and cybersecurity ensures it remains agile, resilient, and customer-focused in a rapidly evolving digital landscape. These initiatives are not only enhancing operational performance but also safeguarding the trust and integrity that underpin the Group's long-term success.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | **Our Performance** | Human Capital | Our Governance | Financial Review

OUR SUSTAINABILITY APPROACH

Capitals Impacted: Natural, Social and Relationship

Stewardship for a Sustainable Future

Our commitment to Natural Capital stewardship is evolving from a set of initiatives into a core driver of operational efficiency and long-term brand distinction.

In FY2024/25, Unga strengthened its commitment to environmental stewardship, embedding sustainability throughout the value chain — from energy efficiency and waste management to local sourcing and carbon reduction. Building on last year's foundation, the Group achieved measurable gains in waste reduction, expanded renewable energy usage, and advanced its sustainable sourcing agenda, demonstrating that responsible resource management and business growth can go hand in hand.

Reducing Waste and Advancing the Circular Economy

Unga reduced total waste generation to landfill by 2.7%, from 76.52 metric tonnes in FY2023/24 to 74.43 metric tonnes in FY2024/25. This achievement was driven by process efficiency, improved waste segregation, and employee engagement on waste reduction practices.

The adoption of reusable plastic bottles and reduced paper usage has cut down disposable waste across offices and production sites.
The Group continues to promote circular economy practices by ensuring that over 60% of packaging materials used are recyclable.

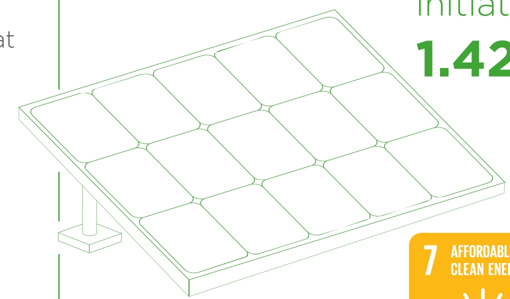
In manufacturing, byproducts such as wheat bran, maize germ, and other crop residues are repurposed as inputs in animal feed production, minimising waste and reinforcing synergies between the Human and Animal Nutrition segments. These measures have helped reduce the Group's environmental footprint while lowering input costs.

Looking forward, Unga **is exploring partnerships that promote closed-loop packaging systems and regenerative agricultural practices, further embedding sustainability across its production and supply systems.**

Transitioning to Renewable Energy

Solar power savings: Energy efficiency remains a cornerstone of Unga's sustainability strategy. During the year, Unga's solar energy initiative supplied 1.42 million kWh of clean energy, resulting in KES 30.6 million in savings against grid electricity and the avoidance of over 21,000 kilograms of carbon emissions. This landmark performance aligns directly with SDG Goal 7 (Affordable and Clean Energy) and SDG Goal 13 (Climate Action).

Our **solar energy** initiative supplied **1.42 million kWh**



Operational decarbonisation: The company continued to realign its manufacturing processes and equipment to maximise solar utilisation at its Eldoret and Commercial Street plants, where additional solar installations are under consideration.

This strategic consolidation and realignment of production activities in Eldoret and Commercial Street (CST) significantly reduced the need for inter-plant material transfers. It resulted in a direct saving of KES 16.9 million in transport costs in the first quarter of FY2025 alone, demonstrating a substantial, unquantified reduction in transport-related carbon emissions.

We are actively exploring ways to enhance solar utilisation further through machine realignments and considering additional panel installations to deepen our reliance on clean energy.

Plans for a biomass boiler at the Nairobi Feeds Plant remain in focus, expected to significantly reduce reliance on diesel fuel and enhance cost competitiveness once fully implemented.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | **Our Performance** | Human Capital | Our Governance | Financial Review

Sustainable Sourcing and Farmer Empowerment

All pulses and Pishori rice are now procured locally, reinforcing Unga's strategy of building resilient and inclusive supply chains. The Group is also piloting off-taker agreements with smallholder farmer groups, set to take effect in FY2025/26, which will guarantee market access, price stability, and consistent quality for both sides.

Unga's approach integrates sustainability directly into sourcing and farmer engagement. The Group has established background integration partnerships for core production inputs like yellow & white maize, Finger millet, and Soya beans. This approach enhances our control over resource availability, quality assurance, and pricing, while simultaneously building capacity and strengthening the livelihoods of local farmers.

Additionally, this is improving traceability and resource control. The company also maintains rigorous water management practices across its plants, with metered borehole, city, and rainwater sources ensuring optimal monitoring and conservation.

This approach not only reduces operational risk but also contributes to the long-term preservation of agricultural ecosystems, securing raw material availability in a changing climate.

Alignment with national climate commitments
To better track and manage energy efficiency, Unga is developing an Integrated Green Performance and Waste (IGPW) Tracker, which will provide data-driven insights into efficiency gains, resource use, and emission reductions across sites.

Aligned with Kenya's national climate commitments and the Paris Agreement, Unga plans to publish an independent Sustainability Report by June 2026, in line with IFRS S1 and S2 standards, disclosing its carbon footprint and climate mitigation strategies as it works toward carbon neutrality.

Looking Ahead

In the coming year, Unga will deepen its integration of sustainability across all operations by:

i. Expanding renewable energy capacity through additional solar installations and exploring biogas and wind energy opportunities.
ii. Implementing regenerative agricultural partnerships for key crops such as maize, millet, and soybeans.
iii. Enhancing waste circularity through recyclable packaging and resource recovery initiatives.
iv. Introducing biodiversity-friendly sourcing programs to protect the ecosystems that sustain its raw materials.

Unga's long-term vision is clear: *to feed East Africa sustainably by protecting the environment that nourishes its business. Through continuous innovation, responsible sourcing, and transparent reporting, the Group is positioning itself not just as a food company, but as a steward of natural capital, creating enduring value for people and the planet.*

06 Our Human Capital Report

At Unga, we recognise that our success is anchored in the strength, resilience, and adaptability of our workforce. Our people are the fundamental source of value creation and the key to sustaining the Group's growth.

Unga recognises that its long-term success is anchored in the strength, resilience, and adaptability of its workforce. Its people are the fundamental source of value creation and the key to sustaining the Group's turnaround.

During FY 2024/25, the Group continued to refine its organisational structure, elevate leadership capacity, promote diversity and inclusion, and enhance employee well-being, ensuring that its people remain fully aligned with its strategic transformation agenda.

Specifically, during the year, the Human Capital strategy was wholly dedicated to building a streamlined, resilient, and high-performing workforce capable of executing the Group's focused two-year strategic plan. A key focus was on agility, digital fluency, and an inclusive culture to secure a competitive edge in a volatile market.

1. Workforce Structure and Organisational Agility

Streamlined Governance and Role Consolidation

The Group executed strategic organisational adjustments to eliminate operational bottlenecks and accelerate decision-making:

- **Consolidation and Streamlining:** The successful consolidation of leadership roles significantly enhanced efficiency by reducing duplication, improving cross-functional collaboration, and creating clearer reporting lines.
- **Strategic Alignment Review:** The newly appointed management team, including a dedicated HR specialist, commenced a comprehensive organisational structure review. This process aims to align roles, identify overlaps, and is expected to result in a fit-for-purpose structure that strengthens accountability and collaboration, directly supporting the Group's two-year strategy.
- **Agility and Focus:** Further refinement, such as separating the Legal and Human Resources functions, improved workforce agility by allowing each department to focus intently on its core mandate: HR on people strategy and Legal on compliance and risk management.

Building on last year's restructuring, the consolidation of Technical and Production roles into a unified Group Operations leadership delivered measurable efficiency gains. Duplication of effort has been reduced, collaboration has improved through tighter functional alignment, and decision-making is now more centralised and responsive.

In FY 2024/25, the Legal and Human Resources functions were also formally separated, allowing each to focus on its respective mandate, with Legal focusing on governance and compliance and HR on culture, capability development, and workforce strategy. This clarity has strengthened operational agility and improved accountability.

Organisational Review Underway

A comprehensive review of the organisational model to align with the Group's two-year strategic plan has commenced. The review is focused on leadership capacity, workforce efficiency, and future capability requirements. Progress includes:

- Mapping of roles and responsibilities against value streams
- Identification of functional overlaps and structural gaps
- Benchmarking against high-performing industry models

A phased change management framework is in place to ensure that restructuring continues to drive cohesion, not disruption.

OUR HUMAN CAPITAL

2. Talent Pipeline, Internal Mobility and Retention

Strengthening Internal Career Pathways

The Group is committed to increasing internal mobility from 42% in 2023/24 to 70% by 2027. During the year, the internal job posting process was digitised and standardised, ensuring greater transparency. Succession planning frameworks were activated across critical roles, with quarterly dashboards tracking promotions, redeployments, and cross-functional assignments.

Retention remained strong at over 80%, supported by:

- Structured development plans for high-potential employees
- Cross-functional exposure and coaching for critical roles
- Tailored retention incentives for technical and leadership positions

Targeted Recruitment & Integration

Unga's Talent Management System, supported by platforms such as LinkedIn Talent Solutions and BrighterMonday, has enabled targeted acquisition of specialised talent in engineering, digital transformation, and commercial operations.

Cultural integration is facilitated through:

- Hoshin Kanri (HK) for performance alignment
- SuccessFactors for onboarding and role clarity
- Performance Development Plans (PDPs) and coaching for accelerated ramp-up

3. Diversity, Inclusion, and Workforce Representation

Advancing Gender Equity and Disability Inclusion

- **Gender Parity:** The Group actively tracks identified roles to drive gender parity. Its participation in the World Bank/FKE Kenya2Equal Programme and the KAM Women in Manufacturing activities has provided technical support to strengthen policies and increase female participation, particularly in traditionally male-dominated areas.
- **Disability Inclusion:** The Group has begun implementing the necessary structures to support its long-term 5% target for disability representation. Unga deepened its partnership with Sight Savers, conducting accessibility assessments and sensitisation workshops. Preparations are underway to progressively meet the 5% disability representation target.
- **Ethical Practices:** The Group ensured all practices align with ILO standards, reinforced by a strong Code of Ethics and continuous training on anti-corruption. Feedback mechanisms like whistleblowing channels and engagement surveys encouraged open dialogue and reinforced a culture of integrity.

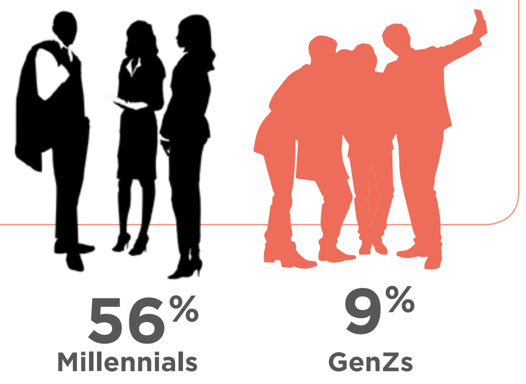
About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

Women currently represent 25% of the workforce. Progress toward gender parity continues through:

- Participation in IFC/FKE's Kenya2Equal Programme and KAM Women in Manufacturing
- Expansion of leadership coaching under the Women in Leadership initiative

Intergenerational Balance

With **56% millennials** and **9% Gen Z**, generational dynamics are evolving. Structured mentorships and flexible work arrangements are helping to bridge expectations between younger employees seeking rapid growth and senior employees offering organisational continuity.



4. Learning, Leadership and Capability Development

Embedded 70:20:10 Learning Framework

The 70:20:10 learning model remains central to Unga's development philosophy:

Learning Type	Delivery Mechanism
70% On-the-job	Cross-functional projects and stretch assignments
20% Coaching/Mentorship	Supervisor-led coaching and peer learning groups
10% Formal Education	Learn n Grow platform — 89% adoption rate

Leadership Development Tracks

Key leadership programmes during FY 2024/25 included:

- Supervisory Skills Training (with Management University of Africa)
- Corporate Governance Programmes for Directors and Managers
- HR for Non-HR Managers & Women in Leadership Preparatory Tracks
- Introduction of Toastmasters for communication and influence building

Succession planning was formally institutionalised, aimed at creating a future-fit leadership bench aligned to Unga's five-year vision.

OUR HUMAN CAPITAL

5. Performance Management and Engagement

Enhanced Hoshin Kanri System

The Hoshin Kanri performance framework was upgraded to include:

- Full automation of goal cascading and review workflows
- Integrated manager feedback and in-system reporting
- Transition to quarterly performance reviews for structured oversight

These enhancements reinforced accountability, improved data visibility, and enabled clearer tracking of individual contributions to corporate strategy.

Culture of Recognition

Recognition was embedded at multiple levels through:

- CEO/MD weekly appreciation notes
- Showcase of standout performers
- Peer-to-peer recognition platforms and visual display boards

6. Employee Well-Being, Welfare, and Work-Life Balance

Employee Assistance and Wellness

The Employee Assistance Program (EAP) achieved 48% participation, with positive feedback on confidentiality, accessibility, and emotional support. To boost uptake further, supervisors have been trained to encourage referrals.

Complementary wellness initiatives included:

Initiative	Outcomes Reported
Weekly aerobics & fitness sessions	Reduced stress and absenteeism
On-site health check-ups	Early detection and lifestyle coaching
Financial literacy sessions	Improved financial resilience

Flexible and Responsive Work Policies

Targeted provisions were implemented for:

- **Breastfeeding mothers and pregnant employees** — shift adjustments and alternative roles
- **Study and Parental Leave** — to promote professional and family balance
- **Flexi-Time pilots** within select operational units

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | **Human Capital** | Our Governance | Financial Review

7. Corporate Culture, Ethics, and Responsible Labour Practice

Core values: **Fun, Integrity, Responsibility, Speed**, and **Consumer Focus** continued to be embedded through:

Value	Demonstrated Through
Fun	Team-building events and game nights
Integrity	Anti-corruption training and higher declaration compliance
Responsibility	Strengthened safety, ESG integration, and CSR initiatives
Speed	Process automation and reduced approval layers
Consumer Focus	Consumer-led teams and frontline market "storms"

Ethics and compliance were reinforced through enhanced whistleblowing mechanisms, ethics training, and structured feedback loops, resulting in increased employee confidence in governance channels.

8. Future Workforce Priorities for FY 2025/26

Looking ahead, Unga will focus on three strategic priorities to build a future-ready workforce:

1. **Deepening Leadership and Technical Bench Strength** through succession planning, structured rotational programmes, and specialist academies.
2. **Accelerating Digital Capability and Workforce Analytics**, including HR self-service, predictive workforce planning, and data-driven talent decisions.
3. **Embedding Well-Being, Inclusion, and Recognition into the Employee Experience**, ensuring Unga remains an employer of choice in a competitive talent market.

07

Our Governance

At Unga Group Plc, we firmly believe that leadership entails accountability. As stewards of the resources that provide animal and human nutrition foods to the world, we take our responsibility seriously.

WHO LEADS US

OUR BOARD OF DIRECTORS

Isabella Ochola-Wilson (76)

Non Executive Director

Isabella was appointed to the board in 2006 as a non-executive director and assumed the Chair's position in 2012. Isabella brought with her several years of management and board experience obtained from previous board positions in both for-profit and non-profit organisations including the former NIC Bank, Basecamp Explorer, AMREF, and the councils of the University of Nairobi and the Technical University of Kenya.

In management positions, she worked for Johnson & Johnson (K) for several years rising to the CEO position before joining Kenya Wildlife Service to set up their commercial wing, and later worked as a consultant for DFID and UNDP.

Andrew Ndegwa (57)

Non Executive Director

Appointed to the board in September 2001. He holds a Bachelor of Arts (Hons) degree in Philosophy, Politics and Economics from University of Oxford. Andrew started his career in the banking industry, working with Citibank and then the Africa Mercantile Banking Company before moving to First Chartered Securities, an investment holding company.

In addition to being an executive director of First Chartered Securities, he is a non-executive board member of several other companies, including NCBA Group Plc.

Jinaro Kibet (60)

Non Executive Director

Appointed to the board in February 2005. He holds an LLB degree from the University of Nairobi and a diploma from the Kenya School of Law. He is a Senior Counsel, an advocate of the High Court of Kenya, Commissioner of Oaths and Notary Public.

He is one of the founding Partners of the law firm of Tripleoklaw LLP, one of the leading law firms in Kenya and holds other directorships including Prime Bank Limited, AA of Kenya and others.

WHO LEADS US

OUR BOARD OF DIRECTORS

Shilpa Haria (65)
Independent Non Executive Director

Appointed to the board in September 2016, she is a Fellow of the Chartered Association of Certified Accountants (FCCA) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She brings extensive expertise in audit and business advisory, with over 14 years of experience at PricewaterhouseCoopers.

She served on the HFC Board and currently sits on the boards of Compulynx Limited, Shungwaya Limited, United Asian Network Limited, and Bhakti Marga Kenya Limited. She also serves as the consultant CFO for Flame Tree Group.

Wanjiru M. Miring'u (54)
Independent Non Executive Director

Appointed to the board in February 2020. She holds a Bachelor of Science degree from the University of Nairobi and a Master of Business Administration degree from USIU-Africa. Wanjiru has extensive experience in the FMCG, Healthcare and Contract Logistics sectors across sub-Saharan Africa. She has in the past held the positions of Managing Director Nestle East Africa, General Manager GSK Consumer Healthcare East Africa & Indian Ocean Islands and Managing Director Imperial Managed Solutions East Africa, a DP World company.

She previously served on the boards of GlaxoSmithKline, Nestle and Imperial Managed Solutions as an executive director and Java House as a non-executive director.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

OUR BOARD OF DIRECTORS

Patrick Obath (70)
Independent Non Executive Director

Appointed to the board in September 2013. He is a BSc (Hons) Mechanical Engineering graduate of the University of Nottingham and is a member of the Institute of Engineers, Kenya, the Energy Institute (UK) and a member of the Institute of Directors (UK).

Mr. Obath has many years of business experience working for the Shell Group of companies in Europe, Asia, and Africa, finally serving as the CEO of Kenya Shell and Shell Tanzania. He has served on and continues to serve on many boards and is Chairman of PZ Cussons (EA) Limited, Java House Africa and Trade Catalyst Africa and a non-executive director in several companies involved in FMCG, Technology and Financial services. He is a Certified Executive Leadership Coach and a consultant in Leadership, Integrity as well as in the Extractive sector.

Alan McKittrick (70)
Non Executive Director | *Retired December 2024*
Alternate to Jinaro Kibet

Appointed to the board in September 1998. He is an engineer by profession and has been Group Managing Director of NAS Holdings Limited for the past 26 years.

Wangari Murugu (57)
Independent Non Executive Director

Appointed to the board in February 2020. Wangari is an entrepreneur with extensive marketing experience in FMCG and Telecommunication Industries, in East Africa.

She previously worked in senior management positions in the areas of Marketing at Safaricom Plc, The Coca-Cola Company, South and East Africa Division and PZ Cussons East Africa Ltd. She serves as a board member at Shujaaz Inc. Wangari holds a BSc. Degree in Biology and Chemistry from Trent University, Canada and a Global Executive Master's Degree of Business Administration from United States International University, in collaboration with Columbia University.

WHO LEADS US

OUR BOARD OF DIRECTORS

Patrick K Mugambi (60)

Alternate to Andrew Ndegwa

Appointed to the board in September 2013. He is a BSc (Hons) Mechanical Engineering graduate of the University of Nottingham and is a member of the Institute of Engineers, Kenya, the Energy Institute (UK) and a member of the Institute of Directors (UK).

Kinya Kimotho (57)

Independent Non Executive Director | *Appointed 1st Aug 2025*

Kinya is a seasoned finance executive and qualified accountant with over 25 years of experience in financial leadership, strategic planning, corporate governance and business transformation across multinational organisations. She has held senior leadership roles throughout her career at Diageo— East African Breweries (EABL), Nielsen Africa, and GlaxoSmithKline (GSK).

Kinya holds a Master of Business Administration in Finance from the University of Nairobi and Bachelor of Business and Managerial Economics from Kenyatta University. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors.

James Nyutu (50)

Group Managing Director | *Appointed 1st July 2025*

Joined Unga Holdings Limited in February 2013 as Group Finance Director. He holds a B.Com degree from the University of Nairobi, an MBA from the Edinburgh Business School (UK) and a postgraduate diploma from the Institute of Management Information Systems (UK).

He is a member of the Institute of Certified Public Accountants and has completed his Certified Company Secretary qualifications. He haswide experience in strategy, finance management and information systems. Started his career in the financial services industry holding various positions at Corporate Insurance and British American Insurance Company, joining Unga from NAS Airport Services.

Winniefred Jumba (53)

Company Secretary

Winnie is a Certified Public Secretary and an active member of the Institute of Certified Public Secretaries of Kenya (ICPSK). Through her extensive career spanning over 28 years, she has gained significant experience in company secretarial services and is also recognized as an accredited governance auditor.

Beyond her governance and secretarial duties, Winnie has fulfilled various specialized roles such as a shares and bond registrar and served as both a corporate trustee and administrator. Her responsibilities in these capacities have included acting as a bond trustee and security agent, managing employee share option plans, and overseeing escrow arrangements.

Winnie was appointed as Company Secretary in 2011. She holds a Bachelor of Commerce degree and a Master of Business Administration, both awarded by the University of Nairobi.

WHO LEADS US

OUR MANAGEMENT TEAM

James Nyutu
Group Managing Director

Joined Unga Holdings Limited in February 2013. He holds a B.Com degree from the University of Nairobi, an MBA from the Edinburgh Business School (UK) and a postgraduate diploma from the Institute of Management Information Systems (UK).

He is a member of the Institute of Certified Public Accountants. He has wide experience in strategy, finance management and information systems.

Started his career in the financial services industry holding various positions at Corporate Insurance and British American Insurance Company, joining Unga from NAS Airport Services.

Martin Mutuku
Group Commercial Director

Joined Unga Holdings Limited in August 2024. He holds an MBA in General Management.

He has over 22 years' experience in the Commercial field having worked in Industries such as Manufacturing and Distribution of Condiments and Juices, Telecoms, CSD Bottling and Distribution, Tobacco, Milling and Retail.

Eric Macharia
Head of Risk & Internal Audit

Eric joined Unga Holdings Limited in November 2023. He is an accomplished governance, risk, internal controls and fraud examination professional having worked in various sectors.

He has worked in several organizations which include Simba Corporation limited, United Bank for Africa Kenya Bank Ltd and Letshego Kenya Ltd. He holds a Master's in Business Administration Finance and Bachelor of Commerce Finance degree from the University of Nairobi.

He is also a Certified Public Accountant CPA (K), Certified Fraud Examiner (CFE) and Certified Securities and Investment Analyst (CSIA). He is a member of the Institute of Certified Public Accountants of Kenya ICPAK) and Association of Certified Fraud Examiners (ACFE).

OUR MANAGEMENT TEAM

Ranasinghe Sampath
Operations Director

Sampath has over 20 years of international expertise in large-scale grain milling and food manufacturing across Asia, the Gulf, and Africa. He has led high-capacity wheat milling plants at FMN Nigeria, Olam International, and Al Ghurair Foods.

He holds a Postgraduate Diploma in Flour Milling & Baking Technology from the Bühler School of Milling (India), an MBA from the University of Sri Jayewardenepura, and a BSc in Agriculture (Food Science & Technology) from the University of Peradeniya. Sampath has a proven track record in operational excellence, optimising plant performance, and driving cost-efficient manufacturing systems.

Baldwin Onyango
Supply Chain Director

Baldwin Onyango joined Unga as Group Supply Chain Director, effective 1st September 2025, bringing with him over 16 years of extensive experience in supply chain management. Before joining Unga, Baldwin served as Head of Procurement at Bamburi Cement PLC, and has held key roles at LafargeHolcim East Africa Limited, East Africa Breweries Limited, and Coca-Cola Central, East and West Africa Limited through IBM.

He holds a Bachelor of Science in Mechanical Engineering from Jomo Kenyatta University of Agriculture and Technology and an MBA from the University of South Wales. Baldwin is a member of both the Kenya Institute of Supplies Management (KISM) and the Chartered Institute of Procurement and Supply (CIPS).

John Mwendwa
Human Resources Director

John Mwendwa was appointed Group Human Resources Director at Unga Holdings Limited, effective 1st August 2025. He brings with him a wealth of experience in human capital leadership and strategic communications, having previously served at Coca-Cola Beverages Africa (CCBA) in dual leadership roles—first as Human Resources Director and subsequently as Director of Public Affairs, Communications, and Sustainability.

John holds an MBA from USIU-Africa, a Bachelor of Education from the University of Nairobi, and a Diploma in Human Resource Management from the Kenya Institute of Management (KIM) among other professional development programmes.

CORPORATE GOVERNANCE STATEMENT 2025

The Board and all levels of management are committed to upholding the highest standards of corporate governance. This commitment supports Unga's purpose "We provide food and farm-care solutions for better living, sustainably. " and vision **"To be the leading provider of high-quality, affordable products that nourish people and animals whilst supporting local communities and protecting the environment."**

The Board acknowledges that good corporate governance fosters an ethical culture, enhances performance and ensures effective control and legitimacy.

Unga aligns with the objectives and provisions of the provisions of the Capital Markets Authority (CMA) Code of Corporate Governance practices for Issuers of Securities to the Public 2015 (the CMA Code) and the applicable regulations including the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 and the Nairobi Securities Exchange Listing Rules. Additionally, Unga adheres to the principles of the Constitution of Kenya and complies with all relevant laws, demonstrating its commitment as a responsible corporate citizen. The Company has a comprehensive range of policies and systems in place designed to ensure that it is well managed.

Unga's corporate governance policies are available in the Investor Relations section of the Company's website. The Board regularly reviews these corporate governance policies and the Company's corporate governance practices against the requirements of both the Companies Act 2015, the CMA Code and best practice.

OVERVIEW OF UNGA'S CORPORATE GOVERNANCE FRAMEWORK

The corporate governance framework acts as an essential supporting structure, a framework of rules and practices by which the Board ensures accountability, fairness and transparency in how the company runs and communicates with its stakeholders.

Our corporate governance framework is comprised of the following:-

- The Board of Directors
- The Board Audit and Risk Committee
- The Board Nominations and Remunerations Committee
- The Board Investment and Operations Committee.
- The Board Human Resources Committee.

The Board is guided by a Board Charter, which sets out the basic principles of good corporate governance and assists the Board and its committees in the exercise of their responsibilities. It also contains the vision, purpose and core values of the company.

Unga's values guide the behavior, leadership qualities, and decision-making of all employees.

They shape how staff members collaborate, respect one another, and engage with the broader community. Our value statements are as follows:

- **We are consumer-led** – We listen and respond to our customer needs.
- **We act with speed** – we are agile ad disruptive.
- **We value integrity** – fairness, transparency and accountability from our actions.
- **We have fun** – work hard, play hard and win together.
- **We are responsible** – we care for the environment and our communities.

Unga has also put in place a Code of Ethics and Conduct which applies to employees, clients, vendors, partners, outsourced labour, and the community, including all personnel affiliated with third parties.

The Code of Ethics and Conduct contains the following core requirements:

- We work safely and look out for the safety of our colleagues.
- Our workplace is free from harassment, discrimination and bullying.
- We act ethically and lawfully in all business conduct.
- We understand and manage the impact of our operations on the environment and engage with our stakeholders with respect.
- We communicate accurately and honestly with investors, government and the community.
- All trading in Unga's securities occurs in compliance with the Nairobi Securities Exchange's rules.
- Everyone affected by the Code is expected to understand and comply with the standards in the Code of Ethics and Conduct.
- All breaches of the Code of Ethics and Conduct must be reported.

These values and requirements underpin Unga's corporate governance framework. A separate Supplier Code of Conduct to promote ethical supplier management practices exists.

Governance Policies

There is a robust policy environment, and various governance and operational policies have been put in place. In executing its mandate, the Board is guided by established policies, including but not limited to the following:

Governance Policies

- Board charter
- Code of conduct and ethics
- Delegation of authority policy
- Insider trading policy
- Whistle blowing policy
- Anti-Money laundering policy
- Anti-fraud, Bribery and Corruption policy
- Conflict of interest policy
- Dividend policy
- Diversity policy
- Sustainability & ESG policy

Operational Policies

- HR policies
- ICT policies
- Data privacy policies
- Finance and Accounting policies
- Procurement policy
- Enterprise Risk Management policy
- Occupational Health and Safety policy

The shareholders approved the following policies at the Company's Annual General Meeting pursuant to the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 referred to as POLD Regulations.

- Remuneration Policy
- Stakeholders Engagement Policy
- Dispute Resolution Policy
- Corporate Disclosures Policy
- Board succession Policy

CORPORATE GOVERNANCE STATEMENT 2025

PART 1: BOARD RESPONSIBILITIES

The Board acknowledges its obligations to the shareholders, customers, employees, business partners, and the communities where the Group operates. The Board's key role is to ensure the company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and other key stakeholders.

The Board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The Board of Directors meets at least once every quarter and operates within a formal schedule based on the agreed board work plan and board calendar.

The Chairman is responsible for leading the Board in the objective and effective discharge of its governance role and responsibilities while the Group Managing Director's role is to lead the implementation and execution of approved strategy, policy and operational planning.

The Directors receive relevant and timely updates on key business activities both regularly and upon request. Information on agenda items is shared before meetings and through additional presentations to the Board. Board members can freely access management via the Chairman, Group Managing Director, and Company Secretary. Directors have the option to request briefings from management on specific issues and can also obtain independent professional advice.

Responsibilities

The Board is the custodian of corporate governance in the Company, including approving the strategic direction and financial objectives, overseeing the company's performance and operations, setting goals for management, and monitoring the achievement of these goals.

Each Director is required to ensure that they are able to devote sufficient time to discharge their duties and to prepare for Board and Committee meetings and associated activities.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary provides guidance and advice to the Board on matters of ethics, statutory compliance, and good governance.

The Board's mandate is set out in its Charter and is reviewed periodically by the Board. The Charter is published on the Company's website (***https://unga-group.com***).

The Board is responsible for:

- steering the organisation and setting its strategic direction
- approving delegations of authority to management;
- approving the Company's values, ethical standards and codes of conduct
- approving significant expenditure decisions outside of the Board approved corporate budget.
- approving significant acquisitions and disposal of assets.
- approving and reviewing financial performance to ensure alignment with strategic plans and corporate budgets.
- Providing effective leadership in partnership with the executive management team.
- Guiding the implementation of appropriate corporate governance structures for the management of the business operations.
- Evaluating and approving Management's strategy and business plans by thoroughly understanding the Unga Group's operations, scrutinizing the assumptions underlying these plans, and forming an independent assessment of the likelihood that these plans will be successfully implemented.
- Ensure that the key strategic risks of Unga Group are identified, evaluated and mitigation plans set up, and their on-going status and management effectively monitored
- Exercising oversight of risk management by ensuring that appropriate and effective risk management and internal control processes operate in the Company
- Monitor corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the Company is being properly managed.
- Determining the Company's purpose and values, providing governance, and adopting strategic plans.

The Board is responsible for ***(continued)*****:**

- Establishing Board Committees, policies and procedures that shall facilitate the most effective discharge of the Board's roles and responsibilities.
- Review and approve the Company's annual budget proposed by the Executive management team including the Company's financial objectives, plans, and actions, including significant capital allocations and expenditures.
- Facilitate Board accountability through effective Board evaluation, reporting, disclosures and succession planning.
- Determining the Company's purpose and values, providing governance, and adopting strategic plans.
- Selection, evaluation and succession planning for Directors, the Group Managing Director (GMD) and Company Secretary and generally endorsing the same for the GMD's direct reports;
- Setting the remuneration of Directors and the GMD and generally endorsing the same for the GMD's direct reports, and monitoring whether the Company's remuneration policies and practices are aligned to the Company's values, strategic direction and risk appetite: and
- Setting the Company's risk appetite and overseeing the integrity of material business risk management.

Delegation of Authority

The Board entrusts the Company's operations and resources to the Executive Management, led by the Group Managing Director. Management is responsible to the Board for the execution of this delegated authority and must adhere to any limits set on it, including legal and Company policy requirements. The Board has formalized this delegation through an approved Delegation of Authority Matrix.

Responsibilities delegated by the Board to Management:

- Day-to-day running of the Company's operations.
- Executing the strategic plans and objectives set by the Board; and
- Operating under approved budgets and written delegations of authority.

The Group Managing Director and other Senior Executives are employed under formal written agreements that outline their duties, obligations, and responsibilities.

Management's discharge of its responsibilities is monitored through regular Board reporting and performance evaluations against set performance objectives.

Performance evaluations of Senior Executives are usually undertaken by the Group Managing Director. The Nominations and Remunerations Committee oversights the Group Managing Director's annual review. Performance evaluations are undertaken in accordance with this process.

The results of these reviews are used in determining succession plans, performance and development plans and remuneration in consultation with the Human Resources Committee.

Separation of the role of Chairman and the Group Managing Director

In the spirit of good corporate governance, the positions of Chairman and Group Managing Director are separate, facilitating balance of power and provide for checks and balances such that no one individual has unfettered powers of decision-making. The Board Charter, which is regularly reviewed clearly defines the roles and responsibilities of the Board Chairman, Directors, Group Managing Director, and the Company Secretary. The Chairman is responsible for providing effective leadership and strategic direction while the Group Managing Director manages the day to day operations of the Company and ensures it meets and achieves its strategic, business, operating and financial objectives. The separation of the functions of the Chairman (a Non-Executive Director) and the Group Managing Director) supports and ensures the independence of the board and management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the Non-Executive and executive roles.

The Chairman is also responsible for ensuring that the interests of the Company's shareholders, including minority shareholders are safeguarded. The Group Managing Director and the Executive Management team are accountable to the Board of Directors, who act on behalf of the shareholders and other stakeholders, for the effective achievement of the Company's business plans and objectives. The Chairman offers overall stewardship over the Group's corporate governance arrangements.

The Chairman and the Group Managing Director meet periodically between Board meetings to set the Board agenda, discuss current and future developments, and address any significant issues affecting the Company.

CORPORATE GOVERNANCE STATEMENT 2025

PART 2: COMPOSITION OF THE BOARD

Board composition and Director Independence

The Company seeks to have a Board that has individuals with the appropriate mix of knowledge, skills and experience including business and industry experience who collectively possess the comprehensive expertise to address both current and emerging issues, and effectively guide management to ensure the Company's optimal performance.

The Board regularly assesses the skills, knowledge, independence and experience represented on the Board against the skills and experience required to effectively deliver the strategy of the Company.

The Company's Articles of Association provide that the Board must have a minimum of five directors (not including the Alternate directors) and a maximum of ten. Pursuant to the CMA Code, at least one third of the Board members must be comprised of independent directors. The directors should not hold directorships in more than three listed companies at any one time.

Independent Directors provide an independent perspective, constructive challenge and monitor the performance and delivery of the strategy.

Non-executive directors enhance the effectiveness of the Board through knowledge and experience of the Group and bring the broader Group context to Board discussions.

At every annual general meeting of the Company, one third of directors must retire from office (after excluding the Managing Director and any new directors standing for election for the first time).

To ensure regular Board renewal, the Board Nominations and Remunerations Committee reviews the size and composition of the Board on an annual basis as per the provisions of the Company's Articles of Association. The Committee determined that the Board composition was currently sufficiently structured to carry out the mandate of the Board.

The Board assesses the independence of each Director having regard to the definition of independence set out in the CMA Code. Each Director's independence is evaluated by the Board on an individual basis, focusing on an assessment of each Director's capacity to bring independence of judgement to Board decisions. In this context, Directors are required to make prompt disclosure to the Board of any changes in interests in material shareholdings, contracts, associations, employment, family ties and cross-directorships that may be relevant in considering their independence. The assessment criteria for independence of directors also includes tenure.

Conflict of interest

The Board members are obligated to avoid any situations that could create a conflict between their personal interest and the Company. They are required to promptly disclose any potential area of conflict.

The Board has formal procedures to manage compliance with the conflict-of-interest provisions. Directors submit an annual declaration on their independence. Thereafter, Directors must declare any conflict of interest that they may have at the start of all Board meetings in respect of a matter on the agenda.

If a Director has a material personal interest in a matter being considered by the Board, they are required to disclose that interest and must refrain from participating in any Board discussion or voting on the matter. Situational conflicts may be authorized by the Board under the Articles of Association and the Companies Act 2015. Notably, no material conflicts of interest were reported by the directors during the year.

The Directors of the Company as at 30 June 2025

Name	Independent Non-Executive/ Non-Executive Director	Date of appointment	Period in office	Board meeting attendance	Board Strategy attendance
Isabella Ochola-Wilson	Non-Executive Chairman	13 June 2006	Full year	4/4	1/1
Andrew Ndegwa	Non-Executive	1 September 2001	Full year	4/4	1/1
Patrick Mugambi - alternate to A Ndegwa	Non – Executive (Alternate)	26 June 2015	Full Year	-	-
Alan McKittrick	Non-Executive	21 September 1998	Full year	2/2	n/a
Vitalis Ojode	Non-Executive	22 May 2003	Full year	4/4	1/1
Jinaro Kibet	Non-Executive	24 February 2005	Full year	4/4	1/1
Patrick Obath	Non-Executive	20 September 2013	Full year	4/4	1/1
Shilpa Haria	Independent Non-Executive	29 September 2016	Full year	4/4	1/1
Wanjiru Miring'u	Independent Non-Executive	27 February 2020	Full year	4/4	1/1
Wangari Murugu	Independent Non-Executive	27 February 2020	Full year	4/4	1/1

The following changes in the Board have taken place since the last financial year.

- Mr. Alan McKittrick ceased to be a director of the Company on 5th December 2024.
- Mr James Nyutu was appointed as Group Managing Director effective 1st July 2025.
- Mr Vitalis Ojode exited as a Director effective 1st August 2025.
- Ms Kinya Kimotho was appointed as an independent non-executive director effective 1st August 2025.

Board capabilities

In determining the composition of the Board, consideration is given to the optimal mix of background, skills, experience and diversity that will best position the Board to guide the Company. As the needs of the Board are dynamic, these skills and experiences may change over time.

Directors are appointed primarily based on their capacity to contribute to the Company's development and success. The Board Charter also recognizes that the Board should include at least some members with relevant experience in manufacturing.

Director selection and succession planning

There is a formal and transparent process for appointing Directors to the Board. All candidates for Director positions must disclose any potential conflicts of interest that could undermine their role or independence as a Director.

The Nominations and Remuneration Board Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. Final approval of a candidate as a Director of the Company is determined by the full Board.

The Nominations and Remuneration Committee oversees the Board renewal process, which includes regularly assessing the Board's composition to ensure that Directors possess a suitable blend of background, skills, experience, and diversity essential for effectively managing a manufacturing company.

In making recommendations relating to Board composition, the Committee takes into account both the current and future needs of the Group. The Committee also considers the succession plans of the Directors more broadly.

CORPORATE GOVERNANCE STATEMENT 2025

The Committee is also responsible for defining the desired attributes and skill sets for a new Director. The Committee reviews prospective candidates and arranges for appropriate background checks to be undertaken, then makes recommendations to the Board regarding possible appointments of Directors, including recommendations for appointments to Committees.

Director induction and continuing education

The Board (through the offices of the Group Managing Director and Company Secretary) and management conducts a comprehensive induction and orientation process for new Directors to acquaint them with the Company's vision, strategic direction, core values, organisational charts, code of ethics, financial matters, corporate governance practices and other key policies and practices. This may be achieved through a review of the Company's Memorandum and Articles of Association, Board Charter, Minutes, any relevant background material, meetings with senior management and visits to the Company's key facilities.

The expectations of the Board in respect of a proposed appointee to the Board and the workings of the Board and its Committees are also conveyed in interviews with the Chair. Induction procedures include site visits, meetings with relevant executives to understand the company's business details, and comprehensive overviews of the company's strategic goals and operations.

The Board also recognizes the importance of continuing education for its Directors and is committed to provide such education in order to improve both Board and Committee performance. The Board acknowledges that such continuing education may be provided in different forms including external or internal education programs, presentations or briefings on particular topics, educational materials, meetings with key management and visits to the Company's key facilities. Such activities allow organizations to continuously invest in and significantly enhance the knowledge and readiness of the board and the overall organization. It is the policy of the Board that continuing education is undertaken in line with CMA requirement to achieve 12 CPD hours.

The Board encourages Directors to pursue ongoing education by participating in both internal and external training and development opportunities that are pertinent to their roles.

During the year, the directors received a combination of internal and external training.

Access to information

Directors have unrestricted access to information and management. All directors have access to the advice of the Company Secretary who provides support to the Board and is responsible for advising the Board on governance matters. Directors have access to independent professional advice at the Company's expense where necessary.

The Board Charter sets out the circumstances and procedures pursuant to which a Director may seek independent professional advice at the Company's expense.

Review of Board, Board Committees and Director performance

As specified in the Board Charter, an assessment of the effectiveness of the full Board, the operations of Board committees and the contributions of individual Directors is conducted annually. At least once every three years, the annual review of the Board, Committees and individual Directors is carried out by an independent consultant.

The scope of the external review is agreed in advance with the Board.

Internal reviews are coordinated by the Chair in collaboration with the Nomination Committee. This process involves distributing questionnaires and conducting formal interviews with each Director, culminating in a written report prepared by the Chair. The Chair's performance is conducted by the Chair of the Nomination Committee.

The Board tracked the recommendations from the previous reviews and further undertook an internal review of the year's performance in FY 25/26.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

PART 3: BOARD COMMITTEES

The Board has established committees to enable it carry out its governance roles and responsibilities effectively and efficiently. The roles and activities of the Committees are highlighted in the section below.

Each Committee operates in line with the Board approved Terms of Reference. Board Committees conduct their own internal review of their performance, structure, objectives and purpose from time to time.

Board Committees have access to internal and external resources, including access to advice from independent external consultants or specialists.

At the subsequent Board meeting, the Chair of each Committee presents a report. Committees also refer any relevant matters to the Board or other Committees as needed. Each Committee is responsible for ensuring that an effective framework is in place for management to report pertinent information to the Committee. Additionally, minutes from each Committee meeting are distributed to all Board members.

The membership requirements of each Committee are outlined in each Committee's Terms of Reference.

The Board reviews Committee membership at least annually. Currently, each Committee's membership meets the requirements outlined in their Charters and adheres to the composition guidelines set forth in the CMA Code. Non-Committee members may attend Committee meetings by invitation.

Details of the number of times the Board and each Committee met during the year, including the Committee memberships of each Director and their attendance at Board and Committee meetings have been detailed in this Report.

Members of Management participate in relevant parts of Board and Committee meetings, where they present updates on their respective areas of responsibility. When appropriate, the Company's advisers also attend Board and Committee meetings. Board meetings frequently include sessions where non-executive Directors meet without the Group Managing Director or other members of Management. During the review period, the Board Committees did not engage any advisers.

The Board may occasionally establish ad hoc committees to address specific issues as needed. During the year, an ad hoc Committee was formed to deliberate on senior management succession planning.

CORPORATE GOVERNANCE STATEMENT 2025

BOARD COMMITTEES

Board Audit and Risk Committee

The Committee comprised of three independent non-executive directors and two non-executive directors. The membership was designed to provide a breadth of financial expertise and commercial acumen.

Ms Shilpa Haria served as the Committee Chairperson during the year. However, her status as an independent director ended in September 2025. Ms Kinya Kimotho, who joined the Board on 1st August 2025 has been appointed as the Chairperson of the Committee.

Shilpa Haria
Chairman - Board Audit & Risk Committee

Composition

Minimum, 4 non-executive directors, out of whom at least three should be independent non-executive directors.

Chaired by an independent Non – Executive director.

Membership in 2024/25

Member	Attendance
Shilpa Haria - Chairman	4/4
Andrew Ndegwa	3/4
Vitalis Ojode	4/4
Wangari Murugu	3/4
Wanjiru Miring'u	3/4

Purpose and responsibilities

- Integrity of the Group's financial statements
- Compliance with legal and regulatory requirements
- Effectiveness of internal controls
- Review of Business operations policies
- Corporate governance
- Risk management
- ICT Governance and oversight

Key deliberations during the year

- Monitored the Company's financial performance;
- Approved the full year and half year results and the press release.
- Received reports on the internal audit function, Risk management, ICT, incidents.
- Monitored the Company's ethical practices and received reports on incidents
- Reviewed various policies
- Reviewed and approved the internal and external audit plans.
- Received updates from the statutory auditor PricewaterhouseCoopers LLP on the audit of the financial statements;
- Considered the re-appointment of the external auditor and their independence.

As part of the scheduled meetings, the Committee held closed sessions without management being present with the external auditor, PricewaterhouseCoopers LLP.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | **Our Governance** | Financial Review

Board Nominations and Remuneration Committee

The Committee is comprised of non-executive directors and is chaired by an independent non-executive director.

Ms Wangari Murugu replaced Mr Patrick Obath as Committee Chairperson on 5th November 2024 following his change of status from independent non-executive director to non-executive director.

Wangari Murugu
Chairman - Board Nominations & Remuneration Committee

Composition

Minimum, 4 non-executive directors

Chaired by an Independent Non – Executive director.

Membership in 2024/25

Member	Attendance-BNRC meetings
Wangari Murugu - Chairman	5/5
Patrick Obath	5/5
Isabella Ochola Wilson	4/5
Andrew Ndegwa	5/5
Jinaro Kibet	3/5

Purpose and responsibilities

- Review the size and structure of the Board
- Board evaluation process and procedures.
- Governance Audit Review
- Review of governance policies
- Board development
- Succession planning of the Board and the Group Managing Director
- Review of Board appointments.
- Board independence

Key deliberations during the year

- Reviewed and approved the Board succession plan for 2025-2026 together with the Board Committee composition to ensure an appropriate mix of skills, experience, and diversity;
- Reviewed the changes in Directors.
- Considered the continued independence and objectivity of independent non-executive directors.
- Reviewed senior leadership transition and the appointment of Group Managing Director.
- Review of senior leadership KPIs.
- Interviews for key senior leadership positions.
- Reviewed the governance related policies including the shareholder approved policies in compliance with the CMA POLD requirements.
- Reviewed the Governance Audit Report (2023/24) and the approved action plan
- Reviewed the revised Board Charter and terms of reference for the Board Committees;
- Monitored compliance with the CMA Code of Governance, the Companies Act 2015 throughout the year.

CORPORATE GOVERNANCE STATEMENT 2025

BOARD COMMITTEES

Board Investments and Operations Committee

Patrick Obath
Chairman - Board Investments & Operations Committee

Composition

Minimum of 3 non-executive directors and the Group Managing Director.

Chaired by a Non-Executive Director

Membership in 2024/25

Member	Attendance
Patrick Obath - Chairman	4/4
Alan McKittrick	2/2
Andrew Ndegwa	3/4
Wanjiru Miring'u	3/4
Wangari Murugu	2/4

Purpose and responsibilities

- Review of projects and Investments
- Review of Business operational matters
- Review of major capital projects
- Financial Planning
- ICT governance framework
- Occupational health and safety

Key deliberations during the year

- Received regular updates on the macroeconomic indicators, including an assessment of their impact on the key drivers of the Company's financial performance.
- Received updates on the ICT performance and investments.
- Monitored and assessed the strength of the Company's capital and liquidity positions;
- Monitored the Company's competitor and market position and performance;
- Reviewed the Budget plans for FY 2025/2026.
- Received updates on the global economic outlook, risks and opportunities and the working capital reports.
- Reviewed the operational KPIs against the company's performance.
- Received updates on environment, social & governance matters and the sustainability agenda.
- Reviewed the project proposals and implementation.

Board Human Resources Committee

Jinaro Kibet
Chairman - Board Human Resources Committee

Composition

Minimum of 2 non-executive directors and the Managing Director.

Chaired by a Non-Executive Director

Membership in 2024/25

Member	Attendance
Jinaro Kibet - Chairman	3/4
Alan McKittrick	2/2
Isabella Ochola Wilson	4/4

The Chairmanship changed from A. McKittrick to J Kibet following the exit of Mr McKittrick from the Board on 5th December 2024.

Purpose and responsibilities

- Human Resources Management strategy
- Organizational culture
- Human Resource policies
- Performance management.
- Staff remuneration and benefits
- Staff development strategy
- Succession planning

Key deliberations during the year

- Received and discussed regular updates on implementation of the People Strategy;
- Reviewed, considered, and approved the Company's Remuneration Approach and Human Resource Policies;
- Discussed the Company's talent pool and leadership development programmes;
- Discussed and approved the senior management succession plan and the organizational design;
- Discussed the Company's culture transformation programme;
- Considered the progress made on implementation of diversity, equity and inclusion priorities;
- Reviewed the Company's disciplinary matters;
- Received updates on HR metrices;
- Reviewed the HR budget.
- Employee wellness programs.

CORPORATE GOVERNANCE STATEMENT 2025

BOARD COMMITTEES

Company Secretary

The Company Secretary is accountable to the Board on all Corporate Governance matters. The company secretary plays an important role in supporting the Board by ensuring adherence to Board policies and procedures as well as maintaining statutory compliance and compliance with the regulators.

The Board appoints the Company Secretary, who is tasked with ensuring the Company adheres to proper governance practices, the Board functions effectively, and the integrity of the Board's governance process is maintained. Beyond fulfilling statutory duties, the Company Secretary offers comprehensive guidance to both the Board as a whole and individual Directors on fulfilling their responsibilities. Additionally, the Company Secretary facilitates effective information flow within the Board and its Committees, as well as between the Directors and Management. The Board evaluates the performance of the Company Secretary as part of the annual Board evaluation process.

The Company secretary, Ms Winnie Jumba is a member in good standing with the Institute of Certified Secretaries (ICS).

Role of the Company Secretary

- Providing a central source of guidance and advice to the Board and the Company, on matters of statutory and regulatory compliance and good governance.
- Providing the Board and the Directors individually with guidance on how their responsibilities should be discharged in the best interests of the Company.
- Facilitating the induction training of new Directors and assisting with the Directors' professional development as required. This includes identifying and facilitating continuous Board education.
- In consultation with the CEO and the Chairman, ensuring effective flow of information within the Board and its committees and between senior management and Non-Executive Directors. This includes timely compilation and distribution of Board papers and minutes, as well as communication of resolutions from Board meetings.
- Guiding the company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision making by shareholders, customers and other stakeholders; and
- Keeping formal records of Board discussions and following-up on the timely execution of agreed actions.
- Assisting the Board with evaluation exercise and coordinating the governance audit process.
- Ensure the timely preparation and circulation of the Board and Committee minutes and other relevant papers.
- Assisting the Chairman in ensuring that regular assessments on the effectiveness of the Board and its committees, as well as the contribution of individual Directors, are carried out.

PART 4: RISK MANAGEMENT

Risk management roles and responsibilities

The Board oversees the group's internal audit and risk management systems of the group and will carry out periodic assessments either directly or through an outsourced arrangement. The Group's risk management and control model is founded on principles that align with the Group's strategy, address regulatory and supervisory requirements, and incorporate best market practices. These principles, along with interrelated tools and processes used in the Group's strategic planning, form the basis of our risk management and control framework.

The Board is responsible, with the assistance of the Committees, for overseeing the implementation of, and ensuring the adequacy and effectiveness of the risk management framework and internal controls. This extends to overseeing that management is operating with due regard to the risk appetite set by the Board and making recommendations for any changes that should be made to the framework or risk appetite set by the Board.

The Audit and Risk Committee assists the Board in performing its role in relation to risk management by reviewing, at least annually, the effectiveness of Unga's enterprise risk management framework and reporting that it continues to be sound, and that management is operating with due regard to the risk appetite set by the Board.

The Committee makes recommendations to the Board following its review. An independent review of the framework is also performed periodically to assure effectiveness and continuous improvement.

The Audit and Risk Committee also annually assess that Management is operating with due regard to the Risk Appetite.

The Board will consider recommendations made to mature the risk management framework and continue to oversee the effective implementation of the framework and management's efforts to effectively implement the elements.

Internal Audit

The internal audit function delivers independent and objective assurance concerning the Company's risk management, internal control, and governance frameworks. This function is dedicated to enhancing and maintaining the risk management system by performing audits and providing advisory services that support effective risk management across the Company. The internal auditor is independent of the external auditor. The Head of Internal Audit reports functionally to the Group Managing Director.

Internal Audit employs a risk-based strategy to formulate its annual internal audit plans, aligning audit activities with the Company's key risks and control frameworks.

Beyond the internal audit activities, additional audit, review, oversight, and monitoring efforts are carried out across the organization to ensure comprehensive management of operational, technical, and environmental health and safety risks. Findings from these activities are reported through the established governance structures and communicated to the appropriate Board Committee.

Independence of auditors and non-audit services

The Audit and Risk Committee makes recommendations to the Board about the selection, appointment and independence of the Company's external auditor.

The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor. The policy can be found as an appendix to the Audit and Risk Committee Charter. The policy requires that services which are considered to be in conflict with the role of statutory auditor are not performed by the Company's external auditor and prescribes the approval process for non-audit services where the Company's external auditor is used.

A copy of the auditor's independence declaration as required under section 774 of the Companies Act 2015 is set out on page 95 of the 2025 Annual Report.

Governance Audit Statement

The Capital Markets Authority (CMA) Code of Corporate Governance provides that issuers of securities to the public are required to undertake governance audits to ensure that the Company is operating on sound governance practices. The audits are conducted by a competent professional accredited for that purpose by the Institute of Certified Secretaries (ICS). A Governance Audit was conducted by Dorion Associates LLP for the year 2023/2024 and an unqualified audit opinion published in the 2024 Annual Report. The audit confirmed that the Board has put in place a sound governance framework, which complies with the legal and regulatory framework and in line with global best governance practices in the interest of stakeholders. The next Governance Audit will be conducted in 2026.

CORPORATE GOVERNANCE STATEMENT 2025

Legal and Compliance Audit Statement

The Code of Corporate Governance for Issuers of Securities to the Public (2015) requires the Boards of listed companies to ensure that a comprehensive independent legal and compliance audit is conducted at least once every two years by a legal professional in good standing with the Law Society of Kenya. The findings from the audits must be acted upon and any non-compliance issues closed.

An external legal and compliance audit was conducted by Dorion Associates LLP for the year 2022 and an unqualified audit opinion published in the 2022 Annual Report. The findings from the audit confirmed that the Company was substantially in compliance with the applicable laws and regulations.

The Company received an exemption to conduct the 2023/24 independent audit on the basis of the rate of closure on the open items from the previous audit. However, to ensure there were no lapses, it carried out an internal legal and compliance audit in order to check the level of compliance with legal requirements and the report was tabled to the Board Audit Committee. An external legal and compliance audit will be commissioned for FY 2024/25.

The Board has established a robust internal control framework to monitor compliance with laws, regulations, and standards. Compliance status is reviewed monthly, with the Board Audit and Risk Committee conducting quarterly oversight. Governance and legal are included in the annual audit plan.

PART 5: DIVERSITY, ETHICS AND CONDUCT

The Group values the uniqueness of individuals and the diversity of thought, particularly in terms of generational, gender, and geographical differences. Embracing this diversity offers opportunities for a wide range of ideas, skills, competencies, experiences, and work ethics.

We recognize that to fully realize the Group's values, continuing to grow an inclusive culture that promotes inclusion, diversity and difference of thought is imperative.

The Board has set out to achieve a Gender diversity target and Persons with Disability target of 35% and 5% respectively. The gender diversity is currently 25:75 female to male. Unga has continuously made improvements to the parental leave provisions and childcare support.

The gender balance at the Board level is 40% female and 60% male. The Board members also have a mix of skills and experience. The average age of employees is 38 years and the average tenor is 8.8 years. 71% of the business is comprised of individuals below the age of 30 and between the ages 30 and 40.

Ethical standards and Code of Conduct

Unga's Directors, employees and contractors are expected to demonstrate high standards of business conduct and to comply with legal requirements wherever the Company operates. They are expected to practice the highest ethical standards and standards of honesty integrity and truthfulness.

The Company's Code of Ethics and Conduct, sets out Unga's values, policies and guidelines with respect to safety, business conduct, environmental and other requirements.

The Code of Conduct specifies the key requirements and behaviors expected from all individuals employed by Unga.

Unga treats breaches of its policies seriously, and has an independent, externally managed whistle blowing Hotline enabling employees and third parties to report misconduct confidentially.

Insider Trading Policy

This policy establishes measures to prevent insider trading by directors and management. It prohibits Directors, executives, and employees, as well as any connected persons they may influence or control, from buying, selling, or trading the Company's securities while in possession of material, non-public price-sensitive information. Additionally, it restricts "Designated Persons" from trading in Unga's securities during closed periods.

Through this policy, the Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

The Group is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The policy ensures that the Group continually and appropriately discloses all insider dealings that come to its attention. The Board is glad to report that during the year 2023/2024, there were no known or identified instances of insider trading. The policy has been published on the Group's website.

Market communication and continuous disclosure

The Company is committed to giving all shareholders timely and equal access to information concerning the Company.

The Company has established policies and procedures to ensure that Directors and Management understand and meet their obligations regarding the timely disclosure of material price-sensitive information.

The Company Secretary is responsible for communications with the Capital Markets Authority and the Nairobi Securities Exchange. All material information disclosed to the NSE is posted on the Company's website. This includes CMA announcements, annual reports, notices of meetings, media releases, and materials presented to investors.

Capital Markets Authority – Corporate Governance Assessment Report for the Year ended 30th June 2024.

The Capital Markets Authority assessed the status of implementation of the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, by the Company for the year ended 30th June 2024 and awarded the Company a Leadership Rating of 68%.

Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

Stakeholder Engagement

The Company has a Stakeholder Engagement Strategy which seeks to establish a consistent and effective approach to stakeholder engagement ensuring the company's stakeholders are informed, involved and consulted on the Company's activities.

Shareholders

We respect the rights of our shareholders, which are integral to our corporate governance framework. Shareholders are entitled to timely and accurate information regarding the company's performance and strategic direction.

We ensure that shareholders have opportunities to participate in key decisions, including voting on significant matters at annual and special meetings. The Board recognises the importance of good communications with all shareholders and the importance of shareholder participation in meetings. Shareholders are strongly encouraged to attend and participate in the AGM, which provides an opportunity for shareholders to engage with the Board and management directly.

The Annual General Meeting (AGM) as well as the published annual report are used as an opportunity to communicate with all shareholders. Shareholders are encouraged to submit questions and appoint proxies to represent them where they are unable to attend. Ad hoc shareholder requests for information are handled on an on-going basis and on the floor of the AGM.

The Company's Articles of Association provide for virtual general meetings. This has enabled webcasting of General meetings to all shareholders regardless of their location.

Additionally, the Company's external auditor attends Annual General Meetings to be available to answer shareholder questions relevant to the conduct of the audit. The Annual General Meeting also provides an opportunity for any shareholder or their proxy to attend and ask questions of the Board and exercise their vote.

The Company has a well-established culture on shareholder management which is supported by the Company Secretary's office and the Shares Registrar – Custody and Registrar Services Limited.

The Board uses electronic means to communicate with shareholders and shareholders are encouraged to visit the website for general information on the Company as well as annual reports.

CORPORATE GOVERNANCE STATEMENT 2025

Shareholders

The top ten largest shareholders as at 30th June 2025.

Rank	Shareholder Name	Domicile	Total shares	%
1	Victus Limited	LC	38,557,190	50.93%
2	CSFS Nominees A/C	LC	13,986,874	18.47%
3	Investments & Mortgages Nominees Ltd A/C 028950	LC	3,231,920	4.27%
4	Bid Portfolio Management Ltd	LC	2,627,000	3.47%
5	Standard Chartered Kenya Nominees Ltd A/C Ke000954	LC	1,847,300	2.44%
6	Kestrel Capital Nominee Services Limited A/C 5	LC	1,388,200	1.83%
7	Broadway Bakery Limited	LC	1,149,700	1.52%
8	DIP SHAH	LI	328,200	0.43%
9	Vijyalaxmi Jitendra Popat	LI	273,000	0.36%
10	Chandrika Kamlesh Somchand Bid	LI	206,300	0.27%

LC - Local Company | **LI** - Local individual

By category of shareholders

Industry	Total Shares	Total Shares(%)	Holder	Holder %
Local Individuals	10,892,082	14.39%	5,952	93.73%
Local Companies	63,363,298	83.69%	157	2.47%
Foreign Individuals	1,351,033	1.78%	237	3.73%
Foreign Companies	102,460	0.14%	4	0.06%
	75,708,873	**100.00%**	**6,350**	**100.00%**

Going Concern

The Board confirms the financial statements are prepared on a going concern basis and is satisfied that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.

This Corporate Governance Statement is current and has been approved by the Board of Unga Plc.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | **Our Governance** | Financial Review

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 June 2025, which disclose the state of affairs of Unga Group Plc (the "Company") and its subsidiaries (together, the "Group").

PRINCIPAL ACTIVITIES

The principal activities of the Group continue to be the manufacturing of human nutrition products, animal nutrition products and the distribution of animal health products.

BUSINESS REVIEW

The Group delivered a strong financial performance in the year under review, achieving a 10% growth in revenue, driven by improved operational efficiencies and enhanced customer engagement. This performance marked a significant turnaround from the previous year, with the Group shifting from pre -tax loss of Shs 805 million to a pre-tax profit of Shs 341 million.

The operating environment was more favourable, underpinned by a decline in interest rates and an appreciation of the Kenya Shilling against major currencies, good climatic conditions impacting raw material prices. This contributed to the positive shift in profitability.

Despite elevated credit risk, the Group remained committed to supporting its customers to ensure consistent product availability across all markets. Strategic efforts to improve operating efficiencies and cost management contributed to the positive financial outcomes.

Given the need to maintain healthy liquidity levels amid ongoing economic uncertainties, the Board of Directors does not recommend the payment of a dividend for the year.

Summary financial performance	2025 Shs'000	2024 Shs'000
Revenue	26,130,964	23,703,863
Gross profit	2,515,406	1,641,753
Gross profit margin	10%	7%
Operating profit / (loss)	704,108	(275,601)
Profit/ (loss) for the year	222,055	(669,576)
Total assets	**11,082,659**	**11,292,280**

RESULTS AND DIVIDEND

The profit attributable to equity holders of Shs 131,328,000 (2024: loss of Shs 449,552,000) has been added to retained earnings.

In view of the need to ensure existing businesses maintain healthy liquidity levels in the current tough economic conditions, Directors do not recommend the payment of a dividend in respect of the financial year (2024: Nil).

DIRECTORS

The directors who served during the year and to the date of this report are set out on page 3.

DIRECTORS' REPORT

DISCLOSURES TO AUDITORS

The directors confirm that with respect to each director at the time of approval of this report:

a) there was, as far as each director is aware, no relevant audit information of which the company's auditor is unaware; and

(b) each director had taken all steps that ought to have been 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 AUDITORS

PricewaterhouseCoopers LLP continue in office in accordance with the Company's Articles of Association and Section 721 of the Companies Act, 2015.

The Board Audit and Risk Committee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and fees.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 25 September 2025.

By order of the Board

Winniefred N Jumba

SECRETARY

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 JUNE 2025

ANNUAL STATEMENT BY THE CHAIRMAN OF THE BOARD NOMINATIONS AND REMUNERATION COMMITTEE

Dear Shareholder,

As the Chairperson of the Board Nominations and Remuneration Committee, I am pleased to present the Directors' remuneration report for the year ended 30th June 2025.

This Report complies with regulations contained in the tenth schedule of the Companies Act 2015 ("the Act") in relation to quoted companies Directors' Remuneration Report and the Capital Markets Code of Corporate Governance for Issuers of Securities ("The CMA Code").

This report contains:

- The background information on the Committee's members and role.
- A highlight of the current directors' remuneration policy; and
- The annual remuneration report.

Role of the Committee

The key objective of the Board Nominations and Remuneration Committee is to make sure that the Board comprises of individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities and to review the remuneration of Directors and senior management as well as the succession planning at Board and senior leadership levels.

The members of the Nominations and Remuneration Committee during the year were Ms Wangari Murugu (Chairperson), Mr Patrick Obath, Mrs. Isabella Ochola-Wilson, Mr Jinaro Kibet and Mr Andrew Ndegwa. During the year, the Committee met five times. Details of attendance at meetings by Committee members are shown in the Corporate Governance section.

The Committee's responsibilities have been set by the Board and are outlined in the Board Charter and the terms of reference of the Committee, which are both available on the Group's website at **www.unga-group.com** .

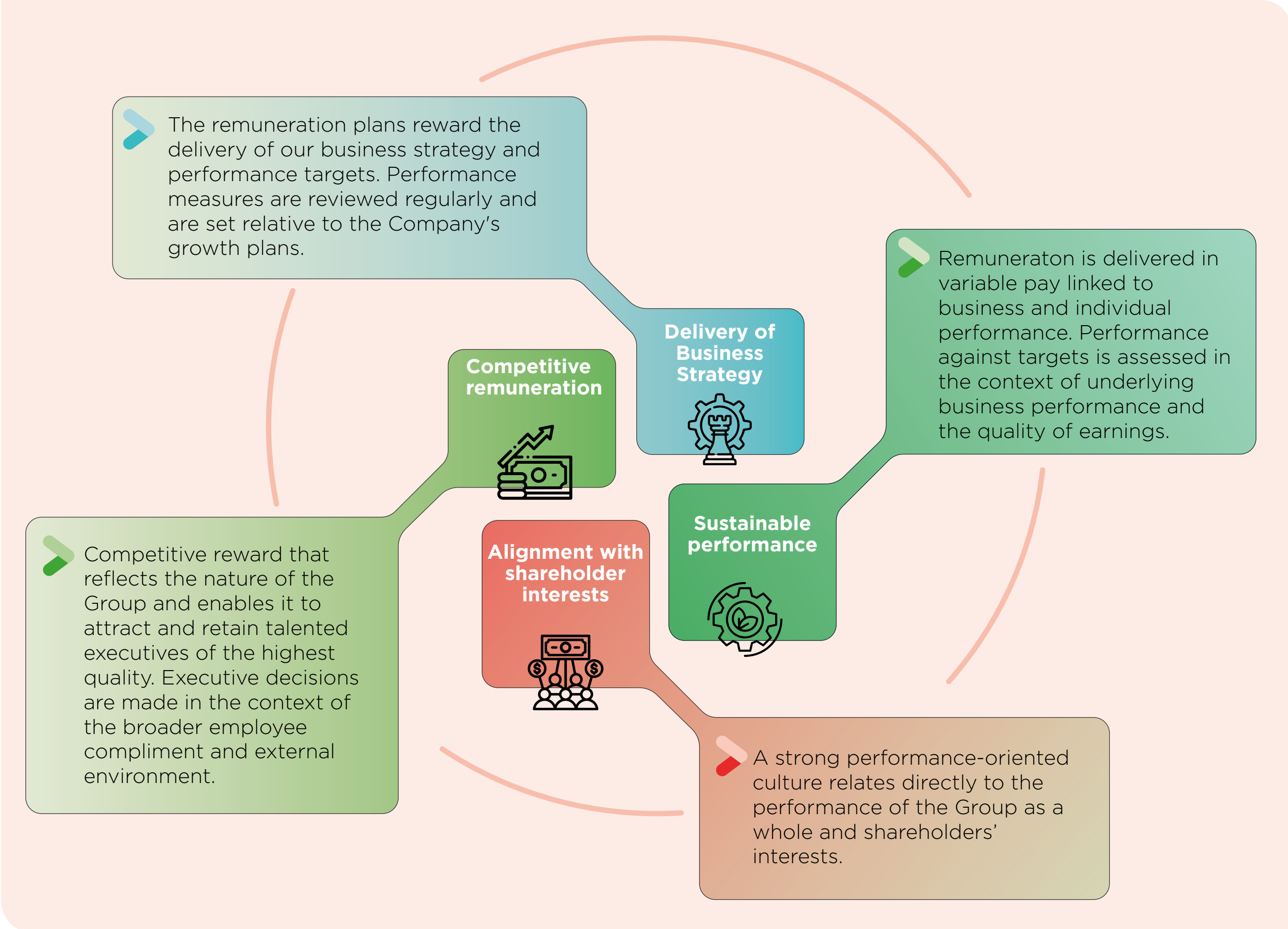
Our Remuneration Principles

The Board Nominations and Remuneration Committee in conjunction with the Board Human Resources Committee were guided by the Group's remuneration principles in decision making during the year. The Group's compensation principles are designed to reward the achievement of its strategic goals in a clear and straightforward way, ensuring alignment with the long-term sustainable interests of shareholders. The remuneration structure seeks to recognise the skills and experience of the Directors and ensure market competitiveness for talent.

Unga operates in a competitive marketplace thus attracting and retaining exceptional leaders is crucial. Remuneration plays a vital role in our ability to do so, and the significant pay disparities within the manufacturing sector remain a challenge. We continuously review external practices in our key strategic markets and adjust our remuneration policy to balance risk and reward. Our goal is to provide competitive compensation packages that reflect high performance and align with the company's strategic objectives and ambitious performance targets.

Our remuneration policy emphasizes fairness, transparency and responsibility to promote achievement of strategic objectives and positive outcomes in the short, medium and long term. The success of the Group depends upon the performance and commitment of competent directors and employees. The principles for setting executive remuneration are outlined below in more detail.

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 30 JUNE 2025 (continued)



Executive Directors

Compensation and incentives for Executive Directors is competitive and is intended to encourage positive engagement with the Company. Target remuneration levels for the executive directors are influenced by the experience and qualifications of the executive director. The remuneration is benchmarked against similar organizations within the industry, taking into account factors such as business scope, complexity, and size (both financially and in terms of employee count). Comparisons are made with companies that compete with the Group for the same pool of skilled talent.

Other Employees

The Group considers the remuneration policy in the context of all Group employees. Base salaries of employees are determined in a similar way to those of executive directors. The Group's approach is to ensure that target total compensation is bench marked to the relevant market in which the individual is employed. Potential total compensation is set at the 50th quartile for excellent individual and business performance.

In addition:

- All employees are eligible for a bonus based on their performance and contractual terms. This bonus is determined using an approved variable pay payout model;
- Core benefits are offered to all employees in accordance with current regulations and industry standards. These benefits include retirement plans, medical insurance, life insurance, and annual leave.
- The Group emphasizes that a portion of each employee's total compensation should be performance-based. The proportion of this variable pay, delivered through bonuses, increases with the level of seniority.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

Approach to Recruitment Remuneration

The Board Nominations and Remunerations Committee's overarching principle for recruitment remuneration is to pay no more than is necessary to attract an Executive of the caliber required to shape and deliver Unga's business strategy in recognition that Unga competes for talent in the marketplace. The Committee seeks to align the remuneration package with Unga's remuneration policy as laid out but retains the discretion to offer a remuneration package which is necessary to meet the individual circumstances of the recruited Executive and to enable hiring of an individual with the necessary skills and expertise. However, variable pay will follow the policy.

If an internal candidate is promoted to Executive position, legacy terms and conditions would be honoured, including pension entitlements and any outstanding awards.

Service contracts and policy on payment for loss of office

Executives have rolling employment contracts. The contracts provide for payment of outstanding pay and bonus, or termination following changes in the Group.

Overview of Remuneration in 2024/2025

	Structure	Link to Strategy	2024/25 Implementation
Salary and benefits	Annual salary review Pension (15%), medical insurance	Supports the attraction and retention of talent with the capacity to deliver Unga's strategy.	8% Cost-of-Living Adjustment (COLA) during the year.
Annual incentive	Target performance bonus opportunity is a maximum of 10% of salary. There is a reward and recognition which is a maximum of 5% of salary	Incentivises delivery of Unga's annual financial and strategic targets. Provides focus on key financial metrics and the individual's contribution to the company's performance.	There was no bonus payout for 2024/25 financial year
Long Term Incentive	There is presently no structured financial Long-term incentive scheme within the Group such as an ESOP. However various non-financial incentives include - executive training and development programs	Ensure alignment between the interests of Executive Directors and shareholders	Leadership development programs were conducted during the year.

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 30 JUNE 2025 (continued)

Commentary on Significant Changes to Directors Remuneration

The Committee oversaw the implementation of the policy to ensure alignment of incentives and rewards with the set remuneration policies and procedures.

The Board conducts an annual review of the remuneration policy to ensure it aligns with and supports the Company's strategy.

The Board is satisfied that the current policy remains well suited to the Company's needs and effectively supports both short-term and long-term objectives of the Group. Consequently, no significant changes to the Directors' remuneration were deemed necessary.

Statement of Voting on the Directors Remuneration Report at the previous Annual General Meeting.
During the Annual General Meeting held on Thursday, 5th December 2024, the shareholders in attendance approved the Directors' Remuneration policy and Directors' Remuneration Report for the year ended 30th June 2024.

The results on voting were as follows:

	Voted In Favour	% In Favour	Voted Against	% Against	Abstained	% Abstained	Result
Approval of the Directors' Remuneration Policy for the year ended 30th June 2024.	38,591,904	95.300%	1,898,492	4.688%	4,980	0.012%	**PASSED**
Approval of the Directors' Remuneration Report for the year ended 30th June 2024.	38,594,297	95.305%	1,892,899	4.674%	8,180	0.020%	**PASSED**

At the Annual General Meeting to be held on 4th December 2025, the shareholders will also consider the Directors' Remuneration Report for the year ended 30th June 2025.

The Current Directors' Remuneration Policy and Strategy

Current Policy
The Directors' Remuneration Policy was approved by the shareholders at the Company's Annual General Meeting held on 5th December 2024.

The principles guiding the remuneration of Non-Executive Directors (NEDs) are as follows:-
a) The Company should remunerate its Directors fairly and responsibly.
b) The remuneration should be sufficient to attract, motivate and retain directors to run the Company effectively.
c) The remuneration should be consistent with recognised best practice standards and is competitive in line with remuneration for other directors in competing sectors.

The remuneration should reflect the Directors' responsibilities, expertise and the complexity of the Company's activities

Payments to past Directors
There was no payment of Directors' fees to past directors during the year.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

Approval by shareholders

As per section 681 (4) of the Companies Act, 2015, the Directors Remuneration Report has been presented to the members for approval.

2.0 INFORMATION SUBJECT TO AUDIT

The following table shows a single figure remuneration for the Executive Director, Chairman and Non-Executive Directors in respect of qualifying services for the year ended 30 June 2025 together with the comparative figures for 2024. The aggregate Directors' emoluments are shown in Note 30(v) of the audited financial statements.

	Salary	Fees	Bonuses	Expense allowances	Loss of office/ Termination	Estimated value of non-cash benefits	Total
	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000	Shs 000
Year ended 30 June 2025:							
Isabella Ochola Wilson	-	3,054	-	-	-	-	3,054
Alan McKittrick	-	2,700	-	-	-	-	2,700
Andrew S Ndegwa**	-	2,472	-	-	-	-	2,472
Patrick Obath	-	2,580	-	-	-	-	2,580
Jinaro Kipkemoi Kibet	-	2,100	-	-	-	-	2,100
Vitalis Ondeke Ojode	-	2,100	-	-	-	-	2,100
Shilpa Haria	-	2,190	-	-	-	-	2,190
Maureen W Miring'u	-	2,178	-	-	-	-	2,178
Wangari Murugu	-	2,682	-	-	-	-	2,682
	-	**22,056**	**-**	**-**	**-**	**-**	**22,056**
Year ended 30 June 2024:							
Joseph M Choge	43,001	-	-	-	13,255	-	56,256
Isabella Ochola Wilson	-	3,378	-	-	-	-	3,378
Alan McKittrick	-	2,778	-	-	-	-	2,778
Andrew S Ndegwa**	-	2,706	-	-	-	-	2,706
Patrick Obath	-	2,808	-	-	-	-	2,808
Jinaro Kipkemoi Kibet	-	2,202	-	-	-	-	2,202
Vitalis Ondeke Ojode	-	2,160	-	-	-	-	2,160
Shilpa Haria	-	2,388	-	-	-	-	2,388
Maureen W Miring'u	-	2,316	-	-	-	-	2,316
Wangari Murugu	-	2,706	-	-	-	-	2,706
Patrick Mugambi**	-	384	-	-	-	-	384
	43,001	**23,826**	**-**	**-**	**13,255**	**-**	**80,082**

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 30 JUNE 2025 (continued)

***Payment for qualifying services provided by Andrew Ndegwa (alternate Patrick Mugambi) as stated in the tables above was made to First Chartered Securities Limited.*

The Annual Remuneration Report will be put forward for your consideration and approval by vote at the AGM to be held on 4th December 2025.

We were pleased to receive a strong vote in favour of our remuneration policy and report last year. I greatly appreciate the engagement from our shareholders and look forward to welcoming you and receiving your continued support at this year's AGM.

On behalf of the Board of Directors

Wangari Murugu
Chairman, Nomination and Remuneration Committee

25 September 2025

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2025

The Companies Act 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company at the end of the financial year and its financial performance for the year then ended. The directors are responsible for ensuring that the Group and Company keeps proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enables them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Companies Act 2015. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Companies Act 2015. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.
ii. Selecting suitable accounting policies and applying them consistently; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Group's and 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 Group's and 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 25 September 2025 and signed on its behalf by:

I Ochola- Wilson (Mrs)	**J Nyutu**
Chairman	*Group Managing Director*

08 Our Financial Review

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNGA GROUP PLC

Report on the audit of the financial statements

Our Opinion

We have audited the accompanying financial statements of Unga Group Plc (the Company) and its subsidiaries (together, the Group) set out on pages 99 to149 which comprise the consolidated statement of financial position at 30 June 2025 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 30 June 2025, and the Company statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2025 and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

PricewaterhouseCoopers LLP. PwC Tower, Waiyaki Way/Chiromo Road, Westlands P O Box 43963 – 00100 Nairobi, Kenya
T: +254 (20) 285 5000 F: +254 (20) 285 5001

Partners: J Aroi E Kerich P Kiambi B Kimacia M Mugasa F Muriu P Ngahu R Njoroge S O Norbert's B Okundi K Saiti

www.pwc.com/ke

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNGA GROUP PLC (continued)

Key audit matter	How our audit addressed the key audit matter
Potential impairment of property plant and equipment As disclosed under note 22 of the financial statements, an impairment assessment involves subjective judgement about future events to the business. A test was carried out by management to assess the carrying value of certain milling plant and equipment included in property, plant and equipment as required by IAS 36. The test for impairment was significant to our audit because the net carrying value of the assets that were subject to assessment amounting to Shs 578 million is material to the financial statements, and because of the significant use of estimates and judgement involved in the assessment. In addition to this, small changes to management assumptions result in material impacts to the assessment as disclosed in note 22. The assumptions with the most significant impact to the value in use calculations were: • Volume growth rate • Gross profit margin • Selling,general and administrative expenses as a percentage of revenue.	Our work to address the potential impairment milling plant and equipment included the following procedures; • We evaluated management's value-in-use calculations based on the historical performance of the business, approved budgets, and the macro- economic and business outlook. • We tested the value-in-use calculations for accuracy and consistency and tested the key assumptions for reasonableness including sensitivity analysis. • We assessed the adequacy of the disclosures in the financial statements.

Other information

The other information comprises the Corporate Information, Chairman's Statement, Group Managing Director's Statement, Directors' report, Directors' remuneration report, and the Statement of Directors' Responsibilities which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNGA GROUP PLC (continued)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNGA GROUP PLC (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable.

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

Report on other matters prescribed by the Companies Act, 2015

Report of the Directors

In our opinion the information given in the directors' report on pages 85 to 86 is consistent with the financial statements.

Directors' Remuneration Report

In our opinion the auditable part of the directors' remuneration report on page 87 to 92 has been properly prepared in accordance with the Companies Act, 2015.

Bernice Kimacia

CPA Bernice Kimacia – Practising Certificate No. 1457
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

25 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
Revenue	5	26,130,964	23,703,863
Cost of sales		(23,615,558)	(22,062,110)
Gross profit		**2,515,406**	**1,641,753**
Other income	8	47,146	42,452
Selling and distribution costs		(1,209,206)	(985,378)
Administrative expenses		(606,427)	(1,004,089)
Net impairment losses on financial assets	20	(42,811)	29,661
Operating profit/(loss)		704,108	(275,601)
Share of profit in associate	31	29,199	16,781
Finance income	10	2,089	13,281
Finance costs	10	(394,581)	(559,412)
Loss before income tax		340,815	(804,951)
Income tax credit	13	(118,760)	135,375
Loss for the year		**222,055**	**(669,576)**
Attributable to;			
Equity attributable to equity holders		131,328	(449,552)
Non-controlling Interests		90,727	(220,024)
		222,055	(669,576)
Loss per share attributable to owners of the Company (expressed in Kenya shillings).			
		2025	**2024**
Basic and diluted profit/(loss) per share	6	1.73	(5.94)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
Profit / (loss) for the year		222,055	(669,576)
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		10,541	(4,767)
Other comprehensive income for the year		10,541	(4,767)
Total comprehensive income / (loss) for the year		**232,596**	**(674,343)**
Attributable to;			
Equity attributable to equity holders		138,179	(452,651)
Non-controlling Interests		94,417	(221,692)
Total comprehensive income / (loss) for the year		**232,596**	**(674,343)**

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
Interest income	10	32	30
Administrative and other expenses		(40,502)	(43,304)
Other Income		3,889	-
Operating loss		**(36,581)**	**(43,274)**
Loss before income tax		(36,581)	(43,274)
Income tax expense		-	-
Loss for the year		(36,581)	(43,274)
Other comprehensive income		-	-
Total Comprehensive loss		**(36,581)**	**(43,274)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
Assets			
Non-current assets			
Property, plant and equipment	22	2,981,178	3,036,364
Investments in associates	31	1,550,435	1,499,021
Right-of-use assets	23	174,924	194,401
Intangible assets	24	18,599	14,003
Deferred income tax	18	501,979	352,680
		5,227,115	5,096,469
Current assets			
Inventories	19	2,769,070	3,401,295
Trade and other receivables	20	2,873,111	2,432,503
Current income tax		23,340	111,063
Cash and bank balances	28	190,023	250,950
		5,855,544	6,195,811
Total assets		**11,082,659**	**11,292,280**
Equity and liabilities			
Equity attributable to owners			
Share capital	14	378,535	378,535
Share premium	14	73,148	73,148
Other reserves		2,989	(3,862)
Retained earnings		3,031,466	2,900,138
Equity attributable to equity holders		3,486,138	3,347,959
Non-controlling Interests	16	1,847,504	1,753,087
Total equity		5,333,642	5,101,046
Liabilities			
Non-current liabilities			
Deferred income tax	18	93,182	97,758
Borrowings	17	250,901	234,841
Capital grants	26	34,228	-
Lease liabilities	23	29,560	39,146
		407,871	371,745
Current liabilities			
Trade and other payables	21	3,595,109	3,686,893
Current income tax		173,374	11,012
Lease liabilities	23	19,757	24,418
Borrowings	17	1,552,906	2,097,166
		5,341,146	5,819,489
Total liabilities		**5,749,017**	**6,191,234**
Total equity and liabilities		**11,082,659**	**11,292,280**

The financial statements on pages 99 to 149 were approved for issue by the Board of Directors on 25 September 2025 and signed on its behalf by:

I. Ochola- Wilson (Mrs)
Chairman

J Nyutu
Group Managing Director

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
ASSETS			
Non-current assets			
Investment in subsidiaries	25	1,297,335	1,297,335
		1,297,335	1,297,335
Current assets			
Trade and other receivables	20	61,487	61,428
Cash and bank balances	28	6,911	3,014
		68,398	64,442
Total assets		**1,365,733**	**1,361,777**
Equity and liabilities			
Equity attributable to owners			
Share capital	14	378,535	378,535
Share premium	14	73,148	73,148
Retained earnings		507,347	543,928
Total equity		959,030	995,611
Current liabilities			
Trade and other payables	21	406,703	366,166
		406,703	366,166
Total equity and liabilities		**1,365,733**	**1,361,777**

The financial statements on pages 99 to 149 were approved for issue by the Board of Directors on 25 September 2025 and signed on its behalf by:

I. Ochola- Wilson (Mrs)
Chairman

J Nyutu
Group Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE

	Share capital Shs '000	Share premium Shs '000	Other reserves Shs '000	Retained earnings Shs '000	Equity attributable to equity holders Shs '000	Non-controlling interests Shs '000	Total Shs '000
Year ended 30 June 2025							
At start of year	378,535	73,148	(3,862)	2,900,138	3,347,959	1,753,087	5,101,046
Profit for the year	-	-	-	131,328	131,328	90,727	222,055
Other comprehensive income for the year	-	-	6,851	-	6,851	3,690	10,541
Total comprehensive income for the year	-	-	6,851	131,328	138,179	94,417	232,596
At end of year	378,535	73,148	2,989	3,031,466	3,486,138	1,847,504	5,333,642

	Share capital Shs '000	Share premium Shs '000	Other reserves Shs '000	Retained earnings Shs '000	Equity attributable to equity holders Shs '000	Non-controlling interests Shs '000	Total Shs '000
Year ended 30 June 2024							
At start of year	378,535	73,148	(11,415)	3,360,342	3,800,610	1,974,779	5,775,389
Profit for the year	-	-		(449,552)	(449,552)	(220,024)	(669,576)
Other comprehensive income for the year	-	-	(3,099)	-	(3,099)	(1,668)	(4,767)
Transfer of retirement benefits reserves to retained earning	-	-	10,652	10,652	-	-	-
Total comprehensive loss for the year	-	-	7,553	(460,204)	(452,651)	(221,692)	(674,343)
At end of year	378,535	73,148	(3,862)	2,900,138	3,347,959	1,753,087	5,101,046

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE

	Share Capital Total Shs'000	Share Premium Shs'000	Retained earnings/ (accumulated losses) Shs'000	Total Shs'000
Year ended 30 June 2025				
At start of year	378,535	73,148	543,928	995,611
Total comprehensive loss for the year	-	-	(36,581)	(36,581)
At end of year	378,535	73,148	507,347	959,030

	Share Capital Total Shs'000	Share Premium Shs'000	Retained earnings/ (accumulated losses) Shs'000	Total Shs'000
Year ended 30 June 2024				
At start of year	378,535	73,148	587,202	1,038,885
Total comprehensive loss for the year	-	-	(43,274)	(43,274)
At end of year	378,535	73,148	543,928	995,611

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE

	Notes	2025 Shs'000	2024 Shs'000
Operating activities			
Cash absorbed from operations	27	1,085,162	(724,953)
Income tax paid		(29,391)	(17,792)
Interest paid		(394,722)	(492,341)
Net cash outflows from operating activities		**661,049**	**(1,235,086)**
Investing activities			
Purchase of property, plant and equipment	22	(211,218)	(352,643)
Purchase of intangible assets	24	(1,161)	-
Proceeds of disposal of property, plant and equipment	6	8,954	1,058
Net cash outflows from investing activities		**(203,425)**	**(244,914)**
Financing activities			
Proceeds from borrowings	17	3,167,038	6,922,629
Repayments of borrowings	17	(3,695,238)	(5,665,252)
Payments of lease liabilities	23	(14,038)	(24,878)
Capital grants received	26	34,228	-
Net cash flows from financing activities		(508,010)	1,232,499
Net decrease in cash and cash equivalents		**(50,386)**	**(247,501)**
Movement in cash and cash equivalents			
At start of year		250,950	493,684
Decrease		(50,386)	(247,501)
Effects of exchange rate changes		(10,541)	4,767
At end of year	28	**190,023**	**250,950**

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE

	Notes	2025 Shs'000	2024
Operating activities			
Cash generated from operations	27	3,897	6
Income tax paid		-	-
Net cash flows from operating activities		3,897	6
Net increase in cash and cash equivalents		3,897	6
Movement in cash and cash equivalents			
At start of year		3,014	3,008
Increase		3,897	6
At end of year	28	6,911	3,014

NOTES
FOR THE YEAR ENDED 30 JUNE

1 General information

Unga Group Plc is incorporated in Kenya under the Companies Act as a limited liability company and is domiciled in Kenya. The address of its registered office is:

Plot No. 209/6841
Ngano House, Commercial Street
Industrial Area
P O Box 30096, 00100
Nairobi

2 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of Unga Group Plc have been prepared in accordance with IFRS Accounting Standards and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Changes in accounting policy and disclosures

i) New standards, amendments and interpretations adopted by the Group and Company

Several amendments to standards became effective for the first time in the financial year beginning 1 July 2024 and have been adopted by the Company and Group. The amendments did not have a significant impact on the financial statements of the Company and Group. They include:

Title	Effective Date	Executive Summary
Amendments to IAS 1, Presentation of financial statements', on Classification of Liabilities as Current or Non-current	1 January 2024	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

Changes in accounting policy and disclosures (Continued)

i) New standards, amendments and interpretations adopted by the Group and Company(Continued)

Title	Effective Date	Executive Summary
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	1 January 2024	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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

The Company and Group have not early adopted any of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1 July 2024, and the Directors do not plan to apply any of them until they become effective.

Title	Effective Date	Executive Summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
IFRS19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	Annual periods beginning on or after 1 January 2027	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
IFRS S2, 'Climate-related disclosures'	Annual periods beginning on or after 1 January 2027	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Directors are still assessing the impact of the below new or amended standards and they would apply them as from the applicable dates.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

Changes in accounting policy and disclosures (Continued)

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

Title	Effective Date	Executive Summary
Amendment to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
IFRS 18, ‘Presentation and Disclosure in Financial Statements’	Annual periods beginning on or after 1 January 2027	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 ‘Presentation of Financial Statements’ and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(b) Consolidation

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred over the amount in the acquiree and the acquisition-date fair value over any previous equity interest in the acquiree over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(d) Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenya Shillings, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss are reported as part of the fair value profit or loss in profit or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to statement of other comprehensive income. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

(e) Revenue recognition

The Group recognises revenue from direct sales of goods. Revenue is recognised at a point in time as and when it satisfies a performance obligation by transferring control of a product to a customer. The amount of revenue recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes value-added tax (VAT), returns, rebates and discounts.

The Group manufactures human nutrition products, animal nutrition products and distributes animal health products. Sales of goods are recognised at a point in time depending on the nature of goods and services, when the Group delivers products to the customer and there are no unfulfilled obligations that could affect the customers' acceptance of the goods. There is no variable element to the contract price, and payment, less any deposit already paid, is typically due within 30 days of delivery.

Interest income is recognised using the effective interest method. Dividends are recognised as income in the period the right to receive payment is established.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | **Financial Review**

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(f) Property and equipment

(i) Functional and presentation currency

All categories of property, plant and equipment are initially recorded at cost and subsequently depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Freehold land is not depreciated. 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 as follows:

Buildings on long leasehold land	2.5%
Buildings on short leasehold land	over period of lease
Computer equipment	33.3%
Plant and machinery	5 - 7.5%
Furniture and fittings	12.5%
Motor vehicles	25%
Silos	Shorter of 50 years or the unexpired period of the lease for the land on which they are built

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

(g) Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(g) Intangible assets (continued)

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Developments costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation or amortisation but are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in purchasing or manufacturing the inventories plus an allocation of normal overhead expenditure attributable to the processes of production hence the cost is determined using standard costs that approximate actual weighted average cost. The cost of engineering spares is determined using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in selling and distribution. Specific provisions are made for obsolete, slow moving and defective inventories.

(j) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(l) Financial instruments

(i) Classification

The Group classifies its financial instruments into the following categories:

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

b) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income;

c) All other financial assets are classified and measured at fair value through other comprehensive income;

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(l) Financial instruments (continued)

Notwithstanding the above, the Group may:

- On initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income; and
- On initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

d) Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Group may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

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

(ii) Initial measurement

On initial recognition:

a) Financial assets or financial liabilities classified as at fair value through profit or loss are measured at fair value.
b) Trade receivables are measured at their transaction price.
c) All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

(iii) Subsequent measurement

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

Amortised cost is the amount 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.

(iv) Impairment

The Group 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 of impairment (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 of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(l) Financial instruments (continued)

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.

(v) Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less 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 the Group's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Group does not have an unconditional right to defer settlement for at least 12 months after the statement of financial position date.

(vi) Derecognition/write off

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

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

When a financial asset measured at fair value through other comprehensive income, other than an equity instrument, is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. For equity investments for which an irrevocable election has been made to present changes in fair value in other comprehensive income, such changes are not subsequently transferred to profit or loss.

(viii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(m) Leases

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

The Group's leasing activities and how they are accounted for

The Group leases various warehouses, office spaces and vehicles. Rental contracts are typically made for fixed periods of 6 months to 4 years, but may have extension options. There are no non-lease components in the lease contracts and consideration is based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and there are no security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Amounts expected to be payable by the group under residual value guarantees;
- The exercise price of a purchase option if the group is reasonably certain to exercise that option and

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(m) Leases (continued)

The Group's leasing activities and how they are accounted for (continued)

- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group has used recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less

Extension and termination terms

Extension and termination options are included in the leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(n) Employee benefits

(i) Retirement benefit obligations

The Group and Company have defined contribution plan for its employees. The Group and Company and all its employees also contribute to the appropriate National Social Security Fund, which are defined contribution schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Group and Company pay contributions to publicly or privately administered plans on a mandatory, contractual or voluntary basis. The entity has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(ii) Other post-employment obligations

Employee entitlements to gratuity and long service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognized as an expense accrual.

(o) Dividend distribution

Dividends payable to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Proposed dividends are shown as a separate component of equity until declared.

(p) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled or asset realised.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(s) 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.

(t) Other income

Interest income is recognised using the effective interest method.

Dividends are recognised as income in the period the right to receive payment is established.

(u) Investment in associates

An associate is an entity in which the company has significant influence and which is neither a subsidiary nor a joint arrangement. The company's investment in its associate is accounted for using the equity method of accounting.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the company's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity, either directly or through other comprehensive income. Profits or losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The share of profit of the associate is shown on the face of the statement of profit or loss. This is profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associates after factoring in other comprehensive income.

The financial statements of the associate are not prepared for the same reporting period as the company. Adjustments are made to bring its accounting policies in line with the company. After application of the equity method, the company determines whether it is necessary to recognise an additional impairment loss on the company's investment in associates.

The company determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the statement of profit and loss.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

2 Material accounting policies (continued)

(v) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

(i) Revenue Grants

Grants received to compensate expenses or for the purpose of giving immediate support to the company with no future related costs are recognised in the statement of comprehensive income in the year of receipt.

(ii) Capital Grants

Where a grant is related to an asset, the grant is presented in the statement of financial position and is credited in the statement of comprehensive income over the periods and in the proportions in which depreciation expense on those assets they are used to finance is recognized

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

Whether assets are impaired

The directors have prepared value-in-use calculations to test whether there is impairment on the Group's assets. Critical assumptions made by the directors in calculating the value-in-use of certain assets are set out in Note 22.

Impairment losses on financial assets

A number of significant judgements and estimations are also required in applying the accounting requirements for measuring ECL, such as:
The application of IFRS 9 risk parameters i.e. Definition of Default ,Probability of Default (PD) and Loss Given at Default (LGD) for trade receivables.

Income and transaction taxes

The Group is subject to income and transaction taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income and transaction taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the financial statements in the period in which such determination is made.

As a contribution to the partnership with Nutreco BV and in exchange for the shares, Unga Millers (U) Ltd (UMUL) transferred its property, fixed assets, moveable assets and business information and records to Tunga Nutrition (U) Limited (TNUL) on a going concern basis by way of an asset transfer agreement executed in the financial year ended 30 June 2022. UMUL subscribed for shares in TNUL in accordance with the Uganda companies Act 2012 by contributing its assets at a premium.

Pursuant to section 45 of the Tax Procedure Code Act, 2014 Unga Millers (U) Limited made an application for a private ruling to the Uganda Revenue Authority (URA) in relation to its asset transfer to Tunga Nutrition (U) Limited with respect to Value Added Tax (VAT).This was based on the understanding that the transfer of business assets is not subject to Value Added Tax as it does not fall within the ambit of a taxable supply considering it is not a supply made as part of the business activities of Unga Millers within the meaning of section 18 of the VAT Act, and does not fall within the meaning of a supply in section 10 of the VAT Act.

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

3 Critical accounting estimates and judgements (continued)

The URA however sought to recover corporate tax and VAT from UMUL together with withholding tax from TNUL .The Group Appealed the decision of the URA in the Tax Appeal Tribunal. The tax Appeal Tribunal ruled in favour of the Group in a ruling dated 26 June 2025.The URA has subsequently appealed the decision of the Tax Appeal Tribunal.

Based on professional advice received, management believe they continue to have a strong case to defend their position.

Judgement applied in the recognition of deferred income tax asset

The Group has recognized a deferred tax asset amounting to KES 497 million (2024: KES 347 million) from one of its subsidiaries, Unga Limited, which has incurred tax losses in some prior years and for the past three financial years, with the current year's loss before tax amounting to Shs 504 million. The deferred tax asset is primarily arising from accumulated tax losses amounting to Shs 684 million.

As per IAS 12, deferred income tax assets arising from tax losses should only be recognized to the extent that it is probable that taxable profit will be available against which the tax losses can be utilized and/or other temporary differences generating a deferred income tax liability are available to cover the asset.

The new Finance Act 2025 also caps the carry forward of tax losses to five years from the year in which the tax losses are recorded, introducing a sunset on recovery of tax losses generated after the finance Act became effective. As there are no transitional provisions speaking to brought forward tax losses, there is a risk that the Kenya Revenue Authority may pursue a stricter interpretation that will disadvantage the taxpayer.

In recognising the deferred income tax asset, management has applied significant judgement in their assessment that future taxable profits will be available to utilise the deferred income tax asset arising from past tax losses. Further, management has made a judgement in their interpretation of the application of the Finance Act, 2025, with respect to the impact on tax losses brought forward.

4 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including liquidity risk, credit risk, the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Financial risk management is carried out by the finance department under the guidance of the Board of Directors.

Market risk

(i) Interest rate risk

Group

Interest rate risks arise from fluctuations in the bank borrowing rates. The interest rates vary from time to time depending on the prevailing economic circumstances. The Group closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes by for example, negotiating for fixed terms while borrowing.

The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

If interest rates increased by 100 basis points (2024: 100 basis points) profit after tax and equity would have been higher/ lower by Shs 18,038,070 (2024: 23,320,066).

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Market risk (continued)

Company

The risk is not relevant to the company as it has no borrowings.

(ii) Price risk

Price risk arises from fluctuations in the prices of equity investments. At 30 June 2025 and 30 June 2024, the Group and company did not hold investments that would be subject to price risk; hence this risk is not relevant.

(iii) Foreign exchange

Group

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily, with respect to the US dollar, Euro and the GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for purchases of imported raw materials and finished products. The Group regularly monitors foreign currency cash flows and exposures, aligns supplier payment schedules with anticipated foreign currency inflows where possible, and evaluates the use of natural hedging strategies.

At 30 June 2025, if the Kenyan Shilling had weakened/strengthened by 5% against the USD with all other variables held constant, post-tax profit for the year and equity would have been Shs 51,081,755 (2024: Shs 42,634,811) lower/higher, mainly as a result of US dollar denominated trade payables and bank balances.

At 30 June 2025, if the Kenyan Shilling had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax profit for the year and equity would have been Shs 367,244 (2024:Shs 75,728) lower/higher, mainly as a result of US dollar denominated trade payables and bank balances.

At 30 June 2025, if the Kenyan Shilling had weakened/strengthened by 5% against the GBP with all other variables held constant, post-tax profit for the year and equity would have been Shs 521,003 (2024: Shs Nil) lower/higher, mainly as a result of GBP denominated trade payables and bank balances.

	2025 USD	2024 USD	2025 EUR	2024 EUR	2025 GBP	2024 GBP
Assets:						
Bank balances	12,941	390,877	19,054	103	-	-
Trade and other receivables	-	-	28,256	-	-	-
Total assets	12,941	390,877	47,310	103	-	-
Liabilities:						
Trade and other payables	7,902,016	6,920,737	-	10,902	58,050	-
Total liabilities	7,902,016	6,920,737	-	10,902	58,050	-
Net total liabilities	**7,889,075**	**6,529,860**	**(47,310)**	**10,799**	**58,050**	**-**

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Company

The company has no foreign currency denominated financial instruments and thus is not exposed to foreign exchange risks.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk is managed by the Group Finance Director who is responsible for managing and analysing credit risk for each new and existing clients before standard payment and delivery terms are offered.

In assessing whether the credit risk on a financial asset has increased significantly, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. For this purpose, default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations.

The Group has adopted the Expected Credit Losses (ECL) model to determine the impairment of trade receivables. The Group opted to adopt the simplified approach of determining the impairment provision. This model includes some operational simplifications for trade and other receivables because they are often held by entities that do not have sophisticated credit risk management systems. These simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

Using the simplified approach, management has segmented their accounts receivable balances into related parties and third party trade debtors.

For trade debtors, management has used the simplified approach to determine probabilities of default (PD) using collection trends in the past adjusted for forward looking economic variables as applicable. The average PDs are then used to determine the provision. All debtors that are 120 days past due are considered to be at default based on past experience. The exposure at default is adjusted for guarantees and other collateral held to determine the Loss Given Default (LGD).

The amount that best represents the Group and Company's maximum exposure to credit risk at 30 June 2025 is made up as follows:

Group **At 30 June 2025**	**Gross amount Shs'000**	**Less: Loss allowance Shs'000**	**Net Carrying amount Shs'000**
Cash at bank balances (Note 28)	189,986	-	189,986
Trade receivables (Note 20)	1,320,988	(491,276)	829,712
Related party trade receivables (Note 20)	878,250	-	878,250
Other receivables	745,547	-	745,547
Other related party receivables	607	-	607
	3,135,378	(491,276)	2,644,102

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Credit risk (continued)

Group At 30 June 2025	Gross amount Shs'000	Less: Loss allowance Shs'000	Net Carrying amount Shs'000
Cash at bank balances (Note 28)	250,736	-	250,736
Trade receivables (Note 20)	836,589	(448,465)	388,124
Related party trade receivables (Note 20)	1,050,034	-	1,050,034
Other receivables	554,088	-	554,088
Other related party receivables	607	-	607
	2,692,054	(448,465)	2,243,589

Related party receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. No impairment was noted from management's assessment.

Cash balances have been assessed for lifetime expected credit losses based on the credit rating of the financial institutions holding the assets. The calculated impairment was considered immaterial to warrant any adjustment.

The Group holds bank guarantees amounting to Shs 1.163 billion (2024: Shs 1.219 billion) as collateral for trade receivables. No collateral is held for the other assets. All receivables that are either past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

	2025 Shs'000	2024 Shs'000
- Neither past due nor impaired	1,992,595	1,682,528
- Past due not impaired	206,643	204,095
- Past due not impaired	(491,276)	(448,465)
Subtotal	1,707,962	1,438,158
Impaired (Note 20)	491,276	448,465

All receivables past due by more than 120 days are impaired and are carried at their estimated recoverable value. This is in addition to the qualitative analysis performed by management.

Company	2025 Shs'000	2024 Shs'000
Other receivables	4,260	4,256
Cash and cash equivalents (Note 28)	6,911	3,014
Due from related parties (Note 20)	57,227	57,172
	68,398	64,442

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Concentration risk

The concentration risk relates to exposure on sales that the Group faces on dealing with its key customers. The analysis below shows that two of the Group's two customers (Kenchic Limited and Tunga Nutrition Kenya Limited) accounted for 19% of the revenue of the Group (2024:17%). All other sales are to a wide unrelated customer base.

	Note	2025 Shs'000	%	2024 Shs'000	%
Kenchic Limited	30	3,638,578	14%	3,787,715	14%
Tunga Nutrition Kenya Limited	30	1,236,302	5%	1,476,842	3%
Others		21,256,084	81%	18,439,306	83%
Total		**26,130,964**	**100%**	**23,703,863**	**100%**

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which together with management, closely monitors the Group's short, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at end of reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

a) Group	Below one year Shs'000	2-5 years Shs'000	Over 5 years Shs'000	Totals Shs'000
At 30 June 2025:				
Liabilities:				
Trade payables and other payables (Note 30)	3,292,135	-	-	3,292,135
Due to related parties (Note 30)	302,974	-	-	302,974
Borrowings	1,599,967	308,127	-	1,908,094
Lease liability	25,841	37,635	-	63,476
Total financial liabilities	**5,220,917**	**345,762**	**-**	**5,566,679**
At 30 June 2024:				
Liabilities:				
Trade payables and other payables (Note 30)	2,820,249	-	-	2,820,249
Due to related parties (Note 30)	866,644	-	-	866,644
Borrowings	2,195,381	362,813	-	2,558,194
Lease liability	33,614	81,024	-	114,638
Total financial liabilities	**5,915,888**	**443,837**	**-**	**6,359,725**

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The Group has undrawn committed borrowing facilities amounting to Shs 543,780,888 in both KES and USD (2024: Total KES and USD 224,405,000). The borrowing facilities consist of loans and bank overdrafts. Security for these borrowings includes an all-assets debenture for Shs 2.3 billion issued by subsidiary companies, corporate guarantees by Group companies and legal charges over certain properties owned by subsidiary companies, and a property registered in the name of a Group company.

b) Company	Below one year Shs'000	2-5 years Shs'000	Over 5 years Shs'000	Totals Shs'000
At 30 June 2025:				
Liabilities:				
Trade payables (Note 21)	8,107	-	-	8,107
Due to related parties (Note 21)	398,596	-	-	398,596
Total financial liabilities	**406,703**	-	**-**	**406,703**
At 30 June 2024:				
Liabilities:				
Other payables (Note 21)	9,456	-	-	9,456
Due to related parties (Note 21)	356,710	-	-	356,710
Total financial liabilities	**366,166**	-	**-**	**366,166**

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings') less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The constitution of capital managed by the Group is as follows:

Net debt reconciliation and gearing ratio	2025 Shs'000	2024 Shs'000
Equity	5,333,642	5,101,046
Borrowings (Note 17)	1,803,807	2,332,007
Less: cash equivalents (Note 28)	(190,023)	(250,950)
Net debt/ (cash)	1,613,784	2,081,057
Debt to Equity ratio	30%	41%

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

4 Financial risk management objectives and policies (continued)

Fair value estimation

The different level of fair value measurement hierarchy is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cash flow analysis. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

5 Revenue from contracts with customers

	Group 2025 Shs'000	2024 Shs'000	Company 2025 Shs'000	2024 Shs'000
Sales recognised at a point in time by category:				
Human nutrition	9,497,559	8,643,844	-	-
Animal nutrition	16,545,574	14,983,932	-	-
Animal health products	87,831	76,087	-	-
	26,130,964	23,703,863	-	-
Sales recognised at a point in time by geography:				
Local sales	25,955,201	23,583,780	-	-
Export sales	175,763	120,083	-	-
	26,130,964	23,703,863	-	-

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

6 Earnings per share

	2025 Shs'000	2024 Shs'000
Profit/ (loss) for the year attributable to shareholders (Shs '000)	131,328	(449,552)
Weighted average number of ordinary shares ('000)	75,707	75,707
Basic and diluted earnings per share:(Shs)	1.73	(5.94)

Diluted earnings per share is the same as basic earnings per share.

7 Dividends

In respect of the current financial year, the directors do not propose the payment of dividend (2024: Nil). Payment of dividend is subject to withholding tax at a rate of 10% for non-resident shareholders and 5% for resident shareholders. For resident shareholders, withholding tax is only deductible where the shareholding is below 12.5%.

8 Other Income

	Group	
	2025 Shs'000	2024 Shs'000
Sale of packing material	7,281	5,535
Gain/loss on disposal of property, plant and equipment	8,954	(4,702)
Sundry income	30,911	41,619
	47,146	42,452

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

9 Segmental reporting

The principal activity of the Group continues to be the milling of wheat and maize and animal nutrition products, and the distribution of animal health products. Management has chosen to organise the entity around differences in market segments served by their products into two main segments namely human nutrition and animal nutrition and health. Management considers the fact that reports regularly reviewed by the chief operating decision maker in order to allocate resources and to assess performance are based on these two operating segments. Leadership team which comprises of the managing director, finance director, general managers and functional heads is considered to be the key decision-making organ.

Description of the types of products and services from which each reportable segment derives its revenues

Unga Group Plc has two reportable segments: human nutrition and animal nutrition and health. The human nutrition segment produces products for human consumption. The animal nutrition and health segment produce animal feeds and mineral supplement products and distributes products for animal health.

Factors that management uses to identify the entity's reportable segments

Unga Group Plc segments are strategic business units that serve different market segments. They are managed separately because each business requires different technology and marketing strategies.

Information about major customers

Kenchic Limited and Tunga Nutrition Kenya Limited with revenues of Shs 3,638,578,000 (2024: Shs 3,787,715,000) and Shs 1,236,302,000 (2024: Shs 1,476,842,000) respectively are the major customers under the animal health and nutrition segment together accounting for 19% (2024; 17%) of the Group revenue.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

9 Segmental reporting (Continued)

Year ended 30 June 2025	Human Nutrition Shs'000	Animal Nutrition & Health Shs'000	Others Shs'000	Elimination Shs'000	Consolidation Shs'000
Revenue from external customers	10,508,771	16,633,405	-	(1,011,212)	26,130,964
Interest income	558	966	565	-	2,089
Other income	7,599	35,658	3,889	-	47,146
Finance cost	(233,639)	(161,318)	376	-	(394,581)
Depreciation and amortisation	159,404	80,433	109	-	239,946
Reportable segmental profit/ (Loss)	(504,398)	863,220	(18,007)	-	340,815
Income tax (expense)/ credit	148,582	(266,467)	(875)	-	(118,760)
Other material non-cash items:					
Reportable segment assets	5,359,936	6,063,747	6,753,346	(7,136,900)	11,082,659
Capital expenditures for non-current assets	34,694	177,685	-	-	212,379
Reportable segmental liabilities	4,875,752	3,131,241	1,084,756	(3,342,732)	5,749,017

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

9 Segmental reporting (Continued)

Year ended 30 June 2024	Human Nutrition Shs'000	Animal Nutrition & Health Shs'000	Others Shs'000	Elimination Shs'000	Consolidation Shs'000
Revenue from external customers	9,416,520	15,060,019	-	(772,676)	23,703,863
Interest income	4,658	1,795	6,828	-	13,281
Other income	5,539	36,913	-	-	42,452
Finance cost	(313,774)	(244,446)	(1,192)	-	(559,412)
Depreciation and amortisation	159,992	86,083	109	-	246,184
Reportable segmental profit/ (Loss)	(721,286)	73,978	(157,643)	-	(804,951)
Income tax (expense)	188,811	(51,562)	(1,874)	-	135,375
Other material non-cash items:					
Reportable segment assets	5,101,855	6,378,662	6,753,346	(6,941,583)	11,292,280
Capital expenditures for non-current assets	106,803	143,572	-	-	250,375
Reportable segmental liabilities	4,242,024	4,047,481	1,154,253	(3,252,524)	6,191,234

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

10 Finance income and costs

	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Finance income;				
Interest income on deposits	2,089	13,281	32	30
	2,089	13,281	32	30
Finance costs;				
Interest expense on bank loans	166,026	270,384	-	-
Interest expense on bank overdrafts	190,122	62,670	-	-
Interest expense on trade finance	8,191	117,428	-	-
Finance charge on leases	30,383	41,859	-	-
Net foreign exchange (gains) / losses	(141)	67,071	-	-
	394,581	559,412	-	-

11 Breakdown of expenses by nature

The profit before taxation is arrived at after charging:

	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Staff costs (Note 12)	859,208	958,477	-	-
Outsourced selling and distribution costs	40,565	70,636	-	-
Inventories expensed in cost of sales	22,896,495	21,026,047	-	-
Depreciation of plant and equipment (Note 22)	233,364	218,847	-	-
Impairment of Work in Progress (Note 22)	26,235	-	-	-
Amortisation of right-of-use assets (Note 23)	19,268	24,586	-	-
Amortisation of intangible assets (Note 24)	3,965	2,751	-	-
Directors' remuneration (Note 30 (v))	22,056	80	22,056	23,826
Auditor's fees	14,343	14,545	472	472
Provision for expected credit losses (Note 20)	42,811	(29,661)	-	-
Provision for Uncertain tax positions	-	122,807	-	-

12 Staff costs

	Group	
	2025 Shs'000	2024 Shs'000
Salaries and wages	669,865	639,082
Redundancy costs	22,709	120,111
Retirement benefits obligation	-	21,681
Social security costs (NSSF) contributions	10,954	5,976
Pension Contributions -		
Defined Contributions Scheme	37,010	36,778
Other staff costs	118,670	134,849
	859,208	958,477

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

12 Staff costs (Continued)

The average number of employees of the Group during the year was as follows:

	Group	
	2025 Shs'000	2024 Shs'000
Production	111	111
Sales and distribution	53	68
Management and administration	155	106
	319	285

13 Income tax expense

The income tax expense has been calculated using income tax rate of 30% as at 30 June 2025 (2024: 30%).

	2025 Shs'000	2024 Shs'000
Current income tax	272,635	(9,101)
Deferred income tax (Note 18)	(153,875)	(126,274)
Income tax credit	118,760	(135,375)

The tax on the companies profit before tax differs from the theoretical amount that would arise using statutory income tax rate as follows:

	2025 Shs'000	2024 Shs'000
Profit / (loss) before income tax from:	340,815	(804,951)
Tax calculated at the statutory income tax rate of 30% (2024 :30%)	102,245	(241,485)
Tax effects of:		
Expenses not deductible for tax purposes	35,139	127,422
Income not subject to tax	(18,439)	(19,641)
Under-provision of current income tax in prior years	(2,131)	(24,509)
(Under) / over provision of deferred income tax in prior years	(89)	22,838
Deferred Income tax asset not recognised	2,035	-
Income tax expense	118,760	(135,375)

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

14 Share capital

	Number of Shares (Thousands)	Ordinary Shares Shs'000	Share Premium Shs'000
Authorised:			
Balance at 1 July 2023, 30 June 2024 and 30 June 2025	82,760	413,800	73,148
Issued and fully paid:			
Balance at 1 July 2023, 30 June 2024 and 30 June 2025	75,707	378,535	73,148

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands or electronically, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

15 Other reserves

	Currency translation differences Shs'000	Re-measurement of retirement benefit asset Shs'000	Total Premium Shs'000
Year ended 30 June 2025			
At start of year	(3,862)	-	(3,862)
Charge to other comprehensive income	6,851	-	6,851
At end of year	2,989	-	2,989
Year ended 30 June 2024			
At start of year	(763)	(10,652)	(11,415)
Credit to other comprehensive income	(3,099)	-	(3,099)
Transferred to retained earnings	-	10,652	10,652
At end of year	(3,862)	-	(3,862)

16 Non-controlling interests

Group	2025 Shs'000	2024 Shs'000
At start of year	1,753,087	1,974,779
Share of Profit / (loss) for the year	90,727	(220,024)
Share of other comprehensive income / (loss)	3,690	(1,668)
At end of year	1,847,504	1,753,087
Unga Holdings Limited:		
35% Equity interest held by Seaboard Corporation		
in Unga Holdings Limited	1,847,504	1,753,087

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

16 Non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling Interests
Unga Holdings Limited which has a 35% non-controlling interest operates as a holding company. A summary of its financial performance is set out below:

Unga Holdings Limited summarised statement of Financial position

	2025 Shs'000	2024 Shs'000
Current assets	6,188,795	6,488,278
Current liabilities	(5,385,793)	(5,860,410)
Total current net assets	803,002	627,868
Non-current assets	5,224,276	5,093,521
Non-current liabilities	(407,871)	(371,745)
Total non-current net assets	4,816,405	4,721,776
Total net assets	5,619,407	5,349,644

Unga Holdings Limited summarised statement of comprehensive income

	2025 Shs'000	2024 Shs'000
Revenue	26,130,964	23,703,863
Profit / (loss) before income tax	377,982	(765,419)
Income tax(expense) / credit	(118,760)	136,777
Profit / (loss) from continuing operations	259,222	(628,642)
Other comprehensive income	10,541	(4,767)
	269,763	(633,409)
Unga Holdings Limited summarised cash flows		
Net cash from / (absorbed) from operating activities	657,125	(1,174,556)
Net cash used in investing activities	(203,425)	(244,913)
Net cash from financing activities	(508,010)	1,232,499
Net (decrease) in cash and cash equivalent	(54,310)	(186,970)
Cash and cash equivalent at start of year	247,921	427,559
Net decrease in cash and cash equivalent	(54,310)	(186,970)
Effect of exchange rates	(10,541)	7,332
At end of year	183,070	247,921

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

17 Borrowings

	2025 Shs'000	2024 Shs'000
Bank loans	1,803,807	2,332,007
The borrowings are classified as follows:		
Current		
Bank borrowings repayable within 1 year	1,552,906	2,097,166
Non - current		
Bank borrowings repayable between 2-5 years	250,901	234,841
	1,803,807	2,332,007
Movement in borrowings:		
At start of year	2,332,007	1,074,630
Received during the year	3,167,038	6,922,629
Repaid during the year	(3,695,238)	(5,665,252)
At end of year	1,803,807	2,332,007

Unga Limited - NCBA facility

Unga Limited took up a facility in the year ended 30 June 2023 to finance capital investments for Sh 221, 555, 530. Interest charged is Central Bank Rate (CBR) plus 6.19% Margin. The loan is repayable in equal instalments after the end of the moratorium of 12 months.The effective interest rate on the facility at 30 June 2025 was 15.94% (2024: 19.35%) The borrowings are secured by an all-assets debenture for Shs 1.885 billion, corporate guarantees by Unga Group Plc of Shs 1.885 billion and legal charges of Shs 1.885 billion over certain properties.

In the year ended 30 June 2023, a 6-year asset finance facility loan of Shs 188.5 million was secured with NCBA Bank to finance the construction and installation of Solar Photovoltaic. Interest charged is Central Bank's Kes Base rate which was 14.34% plus 1.6% Margin. A total of Shs 196,521,279 of the loan amount had been drawn down as at 30 June 2025 (2024: Shs155,585,430). The effective interest rate on the facility as at 30 June 2025 was 15.94% (2024:19.1%).

Unga Limited has a composite facility from NCBA Bank comprising of overdraft facility, invoice discounting, bank guarantees, stock loan, letters of credit, post import finance, invoice discounting amounting to USD 4,500,000 (Shs 581,400,000) and Kes 250,000,000 Collateral Management arrangement amounting to USD 4,771,671 (Shs 616,500,000) available in both US dollars and KES. During the period, a total of Sh 1,508,239,982 was drawn from the facility. As of year-end, the remaining undrawn amount available to Unga Limited together with its fellow subsidiary Unga Farm Care (EA) Limited amounted to Shs 543,780,887 (2024: Shs 224,405,000). The facility is at an interest rate of Bank's Kes Base rate which was 14.34% plus 2.6% margin for KES facilities and 3-month USD SOFR rate plus 4% for USD facilities. The effective interest rate for the year ended 30 June 2025 was 16.94% for KES facilities (2024:20.1%) and 8.25% for USD facilities (2024:9.35%).

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

17 Borrowings (Continued)

Under the terms of the "facility agreement" dated 26 September 2023, the subsidiary Company is required to comply with certain financial covenants. The following financial covenants had not been complied with as at 30 June 2025:

- Debt Service Cover - The ratio of cash flow to debt service shall not fall below 1.25 times to 1 (ratio as at 30 June 2025 was 0.25)
- Leverage ratio shall not be above 3.1 times of equity for such relevant period (ratio as at 30 June 2025 was 4.03)
- Current ratio - should not be below 1.0 (ratio as at 30 June 2025 was 0.83)
- Gearing ratio - shall not be above 2.1 times of equity (ratio as at 30 June 2025 was 2.48)

The subsidiary Company received a letter from the lender confirming that the breach had been condoned as at year end.

Unga Farm Care (EA) Limited – NCBA Facility

In the financial year ended 30 June 2023, a 5-year asset finance facility loan of Shs 146,144,000 was secured with NCBA bank to finance the construction and installation of Solar Photovoltaic . Interest charged is the Bank Base rate plus 1.6% Margin. A total of Shs. 136,589,368 of the loan amounts had been drawn down as at 30 June 2025. The Bank base rate plus margin on the facility as at 30 June 2025 was 15.94 % (2024: 19.1%)

Unga Farm Care (EA) Limited has a composite facility from NCBA Bank comprising of overdraft facility, invoice discounting, bank guarantees, stock loan, letters of credit and post import finance amounting to USD 7,500,000 (Shs 969,000,000) and Kes 450,000,000 and Collateral Management arrangement amounting to Shs 1,027,500,000 to be availed in both USD and Kes. During the period, a total of Sh 198,379,130 was drawn from the facility. As of year end, the remaining undrawn amount available to Unga Farm Care (EA) together with its fellow subsidiary Unga Limited amounted to Shs 543,780,887 (2024: Shs 224,405,000). The facility is at an interest rate of bank's base rate plus a margin of 2.6% per annum for KES facilities and 3-month USD SOFR rate plus 4% for USD facilities. The effective interest rate for the year ended 30 June 2025 was 16.94% for KES facilities (2024:20.1%) and 8.25% for USD facilities (2024:9.35%).

The Group has an all-asset debenture amounting to Sh 1,337,000,000 and a cross company corporate guarantee of Shs 1,700,000,000 from Unga Limited and Unga Farm Care as security for the above facilities.

18 Deferred income tax

Deferred income tax is made up of the following.

	Group	
	2025 Shs'000	2024 Shs'000
Deferred income tax assets	501,979	352,680
Deferred income tax liabilities	(93,182)	(97,758)
Net deferred income tax assets	408,797	254,922

Deferred income tax is calculated using the enacted income tax rate of 30% (2024: 30%). The movement in the net deferred income tax assets is as follows:

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

18 Deferred income tax (Continued)

	2025 Shs'000	2024 Shs'000
At start of year	254,922	128,648
Credit to profit or loss	153,875	126,274
At end of year	408,797	254,922

Year ended 30 June 2025	01.07.2024 Shs'000	Charged/ (credited) to P/L Shs'000	30.06.2025 Shs'000
Deferred income tax liabilities			
Property plant and equipment	482,640	(32,574)	450,066
Unrealised exchange gains	12,932	(12,932)	-
	495,572	(45,506)	450,066
Deferred income tax assets			
Unrealised exchange losses	8,965	(7,928)	1,037
Other deductible differences	(157,732)	40,753	(116,979)
Tax losses carried forward	(783,853)	(139,159)	(923,012)
	(932,620)	(106,334)	(1,038,954)
Deferred income tax asset not recognised	182,126	(2,035)	180,091
Net deferred income tax	(254,922)	(153,875)	(408,797)

Year ended 30 June 2024	01.07.2023 Shs'000	Charged/ (credited) to P/L Shs'000	30.06.2024 Shs'000
Deferred income tax liabilities			
Property plant and equipment	499,115	(16,475)	482,640
Retirement benefits obligation	2,332	(2,332)	-
Unrealised exchange gains	-	12,932	12,932
	501,447	(5,875)	495,572
Deferred income tax assets			
Unrealised exchange losses	(21,299)	30,264	8,965
Other deductible differences	(111,256)	(46,476)	(157,732)
Tax losses carried forward	(679,666)	(104,187)	(783,853)
	(812,221)	(120,399)	(932,620)
Deferred income tax asset not recognised	182,126	-	182,126
Net deferred income tax	(128,648)	(126,274)	(254,922)

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

18 Deferred income tax (Continued)

The Group has not recognised the deferred income tax asset amounting to Shs 182 million arising from tax losses carried forward in a non-operating subsidiary entity because it is uncertain as to when the Group will generate sufficient future profits to utilise the losses.

Deferred income tax asset includes deferred income tax arising from tax losses reported in some operating subsidiaries with part attribution to capital allowances granted in the past. The group has applied judgement in concluding that the deferred income tax assets will be recoverable from the future taxable income based on the approved business plans and budgets for the subsidiaries.

19 Inventories

	Group	
	2025 Shs'000	2024 Shs'000
Raw materials	1,845,732	2,643,479
Finished products	650,868	538,782
Packing materials	125,290	85,982
Engineering spares	147,180	133,052
	2,769,070	3,401,295

Amounts recognised in profit or loss

Inventories expensed in cost of sales amounted to Shs 22.9 billion (2024: Shs 21 billion).

Reversal of provision for inventories amounted to Shs 7.9 million (2024: Reversal of Shs 4.63 million).

20 Trade and other receivables

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Trade receivables	1,320,988	836,589	-	-
Related party trade receivables (Note 30 vii)	878,250	1,050,034	-	-
Less: Provision for expected credit losses	(491,276)	(448,465)	-	-
	1,707,962	1,438,158	-	-
VAT recoverable	418,995	439,650	-	-
Other receivables and prepayments	745,547	554,088	4,260	4,256
Due from related parties (Note 30 vii)	607	607	57,227	57,172
	2,873,111	2,432,503	61,487	61,428

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

20 Trade and other receivables (Continued)

The movements in the provision for expected credit losses on trade and other receivables was as follows:

	Group	
	2025 Shs'000	2024 Shs'000
At start of year	448,465	478,126
Charge / (credit) to profit or loss in the year	42,811	(29,661)
At end of year	491,276	448,465
Expected credit losses are made up as follows:		
Trade receivables	491,276	448,465
	491,276	448,465

21 Trade and other payables

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Trade payables	2,460,071	2,124,176	-	-
Other payables and accrued expenses	832,064	696,073	8,107	9,456
Due to related parties (Note 30 vi)	302,974	866,644	398,596	356,710
	3,595,109	3,686,893	406,703	366,166

22 Property, plant and equipment – Group

	Buildings Shs'000	Plant and equipment Shs'000	Motor vehicles Shs'000	Work in progress Shs'000	Total Shs'000
Year ended 30 June 2025					
At start of the year	1,022,730	1,238,157	10,652	764,825	3,036,364
Additions	1,725	106,120	75,862	27,511	211,218
Disposals	-	(519)	(16,597)	-	(17,116)
Retirement	-	(1,735)	(65,714)	-	(67,449)
Capitalisation of WIP	-	149,441	-	(149,441)	-
Impairment of WIP	-	-	-	(26,235)	(26,235)
Transfer to Intangible asset	-	-	-	(7,400)	(7,400)
Depreciation charge	(27,975)	(192,694)	(12,695)	-	(233,364)
Depreciation on retirement	-	1,735	65,714	-	67,449
Depreciation on disposals	-	519	16,597	-	17,116
Intercompany asset transfer	-	595	-	-	595
Closing net carrying amount	996,480	1,301,619	73,819	609,260	2,981,178
At 30 June 2025					
Cost	1,300,365	3,142,161	275,284	609,260	5,327,070
Accumulated depreciation	(303,885)	(1,840,542)	(201,465)	-	(2,345,892)
Net carrying amount	996,480	1,301,619	73,819	609,260	2,981,178

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

22 Property, plant and equipment – Group (Continued)

The Work in progress carried forward at 30 June, is in relation to the silo rehabilitation project and biomass project. Transfers from work in progress includes reclassifications to intangible assets related to the Success Factors project upon its completion and readiness for use.

	Buildings Shs'000	Plant and equipment Shs'000	Motor vehicles Shs'000	Work in progress Shs'000	Total Shs'000
Year ended 30 June 2024					
At start of the year	1,057,264	1,347,377	1,005	603,593	3,009,239
Additions	2,857	66,101	11,379	165,635	245,972
Transfers	-	4,403	-	(4,403)	-
Disposals	-	(9,119)	-	-	(9,119)
Depreciation charge	(37,391)	(179,724)	(1,732)	-	(218,847)
Depreciation on disposals	-	9,119	-	-	9,119
Net carrying amount	1,022,730	1,238,157	10,652	764,825	3,036,364
At 30 June 2024					
Cost	1,286,493	3,074,471	320,346	764,825	5,446,135
Accumulated depreciation	(263,763)	(1,836,314)	(309,694)	-	(2,409,771)
Net carrying amount	1,022,730	1,238,157	10,652	764,825	3,036,364

Impairment assessment

The human nutrition business has continued to face challenges in their operating environment giving rise to indicators of potential impairment of certain milling assets. As required by the IFRS Accounting Standards, management prepared a projected cash flows model to assess impairment.

The following table describes the key assumptions used by management in the value in use calculations that were prepared to test the assets with a net book value of Shs 577,783,000 for impairment:

Assumption	Approach used to determine values:
Discount rate – 16%	Based on specific risks relating to the industry and country for KES denominated cash flows.
Volume growth - 5% in 2025/26 and 4% subsequently in the remaining useful life	Based on management's market sizing and market share projection.
Gross margin - 3.5% in 2025/26 and 4% over the projection period	Based on experience and management expectations of the future.
Selling, general and administrative expenses as a percentage of revenue - 4%	Based on experience and management expectations of the future.

Based on the assumptions described above, the recoverable amount for the assets was higher than the carrying amount at 30 June 2025 resulting in a headroom of Shs 72 million.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

22 Property, plant and equipment – Group (Continued)

Impairment assessment(Continued)

Sensitivity analysis

The results of impact of possible adverse shift in key model input, judgements and assumptions are as follows;

- If volume growth after 2025 drops by 1% to 3% over the remaining projection period, the headroom decreases to Shs 63 million.
- If gross profit margin reduces from 3.5% to 3.3% in 2025/26 and from 4.5 to 4.2% over the remaining projection period an impairment of 209 million will be recorded.
- If selling and general administrative cost as a percentage of revenue increase by 0.5% to 4.5% of revenue, an impairment of Shs 150 million will be recorded.
- If the discount rate increases by 1%, the headroom decreases to Shs 40 million.

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause significant misstatement of the value-in-use calculations used to estimate the recoverable amount of the cash generating units (CGU).

23 Leases - Group

i) Right-of-use assets

	Leasehold land Shs'000	Warehouse Shs'000	Total Shs'000
Year ended 30 June 2025			
At start of year	173,800	162,198	335,998
Additions	-	49,510	49,510
Disposal/terminated	-	(40,753)	(40,753)
Lease remeasurement	-	(8,966)	(8,966)
	173,800	161,989	335,789
Amortisation			
At start of year	43,462	98,135	141,597
Charge for the year	2,617	16,651	19,268
At end of year	46,079	114,786	160,865
Carrying amount at end of year	127,721	47,203	174,924
Year ended 30 June 2024			
Cost			
At start of year	173,800	103,236	277,036
Additions	-	63,564	63,564
Disposal/terminated	-	(4,602)	(4,602)
	173,800	162,198	335,998
Amortisation			
At start of year	40,846	76,165	117,011
Charge for the year	2,616	21,970	24,586
At end of year	43,462	98,135	141,597
Carrying amount at end of year	130,338	64,063	194,401

The Group has pledged leasehold land with a net book value of Shs 16,473,000 (2024: Shs 16,956,000 to secure borrowings granted to it (see Note 17).

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

23 Leases – Group (Continued)

(ii) Lease liabilities

	2025 Shs'000	2024 Shs'000
Current	19,757	24,418
Non-current	29,560	39,146
	49,317	63,564
(iii) Lease liability movement		
Start of the year	63,564	29,966
Additions	49,510	63,564
Finance charge	5,113	1,836
Finance charge payments	(5,113)	(1,836)
Repayments in the year	(14,038)	(24,878)
lease termination	(40,753)	(4,602)
Gain on lease termination	-	(486)
Lease remeasurements	(8,966)	-
At end of year	49,317	63,564
Amounts recognised in profit or loss:		
Interest on lease liabilities	5,113	1,836
Amortisation of right of use assets	18,246	24,586
Amounts recognised in statement of cash flows:		
Payment of principal portion on lease liabilities	14,038	24,878
Payment of interest	5,113	1,836
	19,151	26,714

24 Intangible assets - Group

	2025 Shs'000	2024 Shs'000
Computer software - Cost		
Cost		
At start of year	402,152	402,152
Transfers from CWIP in PPE (Note 22)	7,400	-
Additions	1,161	-
At end of year	410,713	402,152
Amortisation		
At start of year	388,149	385,398
Amortisation for the year	3,965	2,751
At end of year	392,114	388,149
Net book value	18,599	14,003

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

25 Investment in subsidiaries - Company

Unquoted investment at cost in wholly owned subsidiary	2025 Shs'000	2024 Shs'000
Unga Investments Limited	1,297,335	1,297,335

Details of the Company's subsidiaries are as follows:

Company name	Principal place of business	Principal activity	% interest held	Share capital Shs'000
Unga Investments Limited	Kenya	Operates as a holding and an investment company	100	22,000

Unga Investments Limited has a 65% holding in its subsidiary, Unga Holdings Limited which operates as a holding company in Kenya and has the following subsidiaries:

Company name	Principal place of business	Principal activity	% interest held	Share capital Shs'000
Unga Limited	Kenya	Milling and sale of wheat and maize	100	220,000
Unga Farm Care (E.A.) Limited	Kenya	Manufacture of animal nutrition products and distribution of animal health products	100	22,520
Unga Feeds Limited	Kenya	Dormant company	100	42,300
Unga Foods Limited	Kenya	Dormant company	100	15,400
Unga Millers (U) Limited	Uganda	Investment Holding	100	7,280
Ennsvalley Bakery Limited	Kenya	Dormant	100	250

26 Capital grants

	Group	
	2025 Shs'000	2024 Shs'000
At start of year	-	-
Grant received in the year	34,228	-
Amortisation to profit or loss	-	-
	34,228	-

Capital grants represent amounts received from the Government of Japan following the successful completion of solar installation projects across all Unga Group entities. The grants are recognized as deferred income and will be amortized to profit or loss on a systematic basis over the useful life of the related solar equipment

About this Report | Unga at a Glance | Leadership Reflections | Value Creation | Our Performance | Human Capital | Our Governance | Financial Review

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

27 Cash generated from operations

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Profit/ (Loss) before taxation	340,815	(804,951)	(36,581)	(43,274)
Adjustments for:				
Depreciation (Note 22)	233,364	218,847	-	-
Amortisation on leases (Note 23)	19,268	24,586	-	-
Interest expenses	394,722	492,341	-	-
Finance charge on leases (Note 23)	5,113	1,836	-	-
Amortisation of intangible assets (Note 24)	3,965	2,751	-	-
Impairment to WIP (Note 22)	26,235	-	-	-
Gain on disposal of assets	(8,954)	4,702	-	-
Post-employment benefits obligation	-	21,681	-	-
Gain on lease termination (Note 23)	-	(486)	-	-
Share of profit & amortization in associate	(29,199)	(16,781)	-	-
Working capital changes:				
- inventories	632,225	(560,701)	-	-
- trade and other receivables	(440,608)	769,998	(59)	(180)
- trade and other payables	(91,784)	(878,776)	40,537	43,460
Cash generated from operations	1,085,162	(724,953)	3,897	6

28 Cash and cash equivalents

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from the bank repayable within three months from the date of advance as follows;

	Group		Company	
Cash and cash equivalent	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Bank balances	189,986	250,736	6,911	3,014
Cash balances	37	214	-	-
Cash and cash equivalents	190,023	250,950	6,911	3,014
Net debt reconciliation				
Cash and cash equivalents	190,023	250,950	-	-
Borrowings	(1,803,807)	(2,332,007)	-	-
Lease liability	(29,560)	(39,146)	-	-
Net debt	(1,643,344)	(2,120,203)	-	-

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

29 Capital commitments

	Group 2025 Shs'000	Group 2024 Shs'000
Authorised but not contracted for	706,917	666,963
Authorised and contracted for	47,023	9,925
	753,940	676,888

The bulk of the authorized but not contracted for commitments relates to Motor Control Centre fire suppression, maize sifter retrofit, silo roofing repairs and CCTV system upgrade for Unga Limited and Silo rehabilitation, gantry and store yard restoration for Unga Farm Care. The authorized and contracted for commitments relates to the ongoing Biomass and boiler projects for Unga Farm Care plants.

30 Related party transactions

During the year the following transactions were entered into with related and affiliated parties:

	Group 2025 Shs'000	Group 2024 Shs'000
(i) Sale of goods and services		
Kenchic Limited	3,638,578	3,787,715
Tunga Nutrition Kenya Limited	1,236,302	1,476,843
Tunga Nutrition Uganda Limited	249,706	193,386
Tanbreed Poultry Limited	137,413	158,656
	5,261,999	5,616,600
(ii) Purchases of raw materials		
Seaboard Overseas Limited	931,294	1,047,358
Purchases of equipment and spares		
Seaboard Overseas Group	13,056	30,994
Interest charged on trade finance		
Seaboard Overseas Group	8,191	117,428
	952,541	1,195,780
(iii) Bank balances with related parties		
NCBA Bank Limited	(12,830)	35,189

Seaboard is affiliated by virtue of being part of the non - controlling interest as set out in Note 16. Seaboard Corporation is a company with significant shareholding in the parent company. Seaboard Overseas Limited, Seaboard Overseas Group and Seaboard Overseas Management Company are subsidiaries of Seaboard Corporation.

The group is also related to some of its customers by virtue of common shareholding. These are Kenchic Limited and NAS Holdings Limited and its affiliates.

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

30 Related party transactions (Continued)

	Group 2025 Shs'000	Group 2024 Shs'000	Company 2025 Shs'000	Company 2024 Shs'000
(iv) Key management compensation				
Salaries and other short-term employment benefits	151,208	157,146	-	-
	80,394	81,169	24,138	24,174
(v) Directors' remuneration				
Fees for services as director	22,056	23,826	22,056	23,826
Other emoluments	-	56,256	-	-
	22,056	80,082	22,056	23,826
(vi) Due to related parties				
Trade payables:				
Tunga Nutrition (K) Limited	973	983	-	-
Seaboard Corporation	302,001	865,661	-	-
	302,974	866,644	-	-
Other payables				
Unga Limited	-	-	176,129	151,503
Unga Farm Care (EA) Limited	-	-	155,201	137,941
Unga Investment Limited	-	-	67,266	67,266
	302,974	866,644	398,596	356,710
(vii) Due from related parties				
Trade receivables:				
Kenchic Limited	650,901	580,249	-	-
Tanbreed Poultry Limited	32,605	29,827	-	-
Tunga Nutrition Kenya Limited	151,150	381,484	-	-
Tunga Nutrition Uganda Limited	43,594	58,474	-	-
	878,250	1,050,034	-	-
Other receivables:				
Unga Holdings Limited	-	-	49,696	49,696
Seaboard Corporation subsidiaries	607	607	7,531	7,476
	607	607	57,227	57,172
	878,857	1,050,641	57,227	57,172

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

31 Investment in associate

During the year ended 30 June 2022, management commissioned partnerships with Nutreco namely Tunga Nutrition (K) Limited and Tunga Nutrition (U) Limited.

Tunga Nutrition (K) Limited brings together the total existing aquafeed business of Unga Farm Care (E.A.) Limited and Nutreco within the East Africa region, into a 50/50 venture with Nutreco having management control over the venture. Unga Farm Care (E.A.) Limited contributed its fish feed plant, its aquafeed customers and cash while Nutreco contributed its aquafeed customers and cash. The principal activities of the associate company continues to be manufacture and distribution of fish feeds and related products.

Tunga Nutrition (U) Limited brings together the animal nutrition businesses of Unga Farm Care (E.A.) Limited and Nutreco B.V. within Uganda into a 50/50 venture, with Nutreco B.V. having management control of the venture. Unga Millers (U) Limited contributed its property plant and equipment, Unga Farm Care animal nutrition customers in Uganda and cash to the venture, while Nutreco contributed its animal nutrition customers in Uganda and cash. The principal activities of the associate company continues to be manufacture and distribution of animal nutrition products.

(i) Summarised financial information for associate

The tables below provide summarized financial information for the associate accounted for using the equity method:

Summarised balance sheet at 30 June

	Tunga N Kenya 2025 Shs'000	Tunga N Uganda 2025 Shs'000	Total 2025 Shs'000	Tunga N Kenya 2024 Shs'000	Tunga N Uganda 2024 Shs'000	Total 2024 Shs'000
Current assets:						
Cash and cash equivalents	193,722	315,083	508,805	408,142	85,080	493,222
Other current assets	708,370	939,678	1,648,048	633,066	665,779	1,298,845
Non-current assets						
Property, Plant and Equipment	869,665	1,172,266	2,041,931	562,425	1,125,209	1,687,634
Right of use assets	130,964	-	130,964	109,363	-	109,363
Intangible assets	158,713	96,717	255,430	258,953	148,424	407,377
Non-current liabilities:						
Lease liability	(148,969)		(148,969)	(129,783)	-	(129,783)
Other non-current liabilities	-	-	-	(30,900)	-	(30,900)
Current liabilities:						
Other current liabilities	(629,639)	(721,317)	(1,350,956)	(511,222)	(353,854)	(865,076)
Net assets	1,282,826	1,802,427	3,085,253	1,300,044	1,670,638	2,970,682

NOTES (Cont'd)
FOR THE YEAR ENDED 30 JUNE

31 Investment in associate (continued)

	Tunga N Kenya 2025 Shs'000	Tunga N Uganda 2025 Shs'000	Total 2025 Shs'000	Tunga N Kenya 2024 Shs'000	Tunga N Uganda 2024 Shs'000	Total 2024 Shs'000
Revenue	2,079,234	3,161,004	5,240,238	2,589,791	1,725,897	4,315,688
Expenses	(1,940,459)	(2,944,442)	(4,884,901)	(2,490,351)	(1,540,638)	(4,030,989)
Net interest income/(expenses)		(11,442)	(11,442)	-	583	583
Depreciation and amortisation	(136,447)	(45,445)	(181,892)	(89,984)	(81,132)	(171,116)
Income tax expense	(20,746)	(82,860)	(103,606)	(32,182)	(48,422)	(80,604)
Profit for the period	(18,418)	76,815	58,397	(22,726)	56,288	33,562
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(18,418)	76,815	58,397	(22,726)	56,288	33,562
Company share of profit (50%)	(9,209)	38,408	29,199	(11,363)	28,144	16,781

Reconciliation to carrying amounts:

	Tunga N Kenya 2025 Shs'000	Tunga N Uganda 2025 Shs'000	Total 2025 Shs'000	Tunga N Kenya 2024 Shs'000	Tunga N Uganda 2024 Shs'000	Total 2024 Shs'000
Opening investment value as at 1st July 2023	662,695	836,326	1,499,021	674,058	818,678	1,492,736
Share of profit in joint venture	(9,209)	38,408	29,199	(11,363)	28,144	16,781
Translation Adjustment	-	22,215	22,215	-	(10,496)	(10,496)
Investment carrying amount	653,486	896,949	1,550,435	662,695	836,326	1,499,021

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety-Eighth (98th) Annual General Meeting of Unga Group Plc for the year 2025 will be held via electronic communication on Thursday, 4th December 2025 at 10.00 a.m. to conduct the following business: -

ORDINARY BUSINESS

1. To read the notice convening the meeting.
2. To confirm the minutes of the Ninety Seventh (97th) Annual General Meeting held on Thursday, 5th December 2024.
3. To receive the Chairman's Report.
4. To receive and adopt the Consolidated Audited Financial Statements for the financial year ended 30th June 2025 together with the Reports of the Directors and the Auditors thereon.
5. To note that the Directors do not recommend a dividend for the year ended 30th June 2025.
6. Election of Directors: -
   a) In accordance with the provisions of Article 67.1 & 67.2 (i) of the Company's Articles of Association Ms. Kinya Kimotho retires by rotation and being eligible, offers herself for re-election.
   b) In accordance with the provisions of Article 67.1 & 67.2(ii) of the Company's Articles of Association:
      i. Mr. Jinaro Kibet retires by rotation and being eligible, offers himself for re-election.
      ii. Ms Wanjiru Miring'u retires by rotation and being eligible, offers herself for re -election.
   c) In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors, being members of the Board Audit & Risk Committee be elected to continue to serve as members of the said committee:
      • Ms. Kinya Kimotho
      • Ms. Shilpa Haria
      • Mr. Andrew Ndegwa
      • Ms. Wanjiru Miring'u
      • Ms. Wangari Murugu
7. Directors' Remuneration: -
   a) To approve the Directors' Remuneration Policy as shown in the Audited Financial Statements for the year ended 30th June 2025.
   b) To approve the Directors' Remuneration Report as shown in the Audited Financial Statements for the year ended 30th June 2025.
8. To re-appoint Messrs. PricewaterhouseCoopers (PwC) as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Companies Act 2015 and to authorise the Directors to fix their remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Companies Act 2015.
9. To consider any other business of which due notice has been received.

BY ORDER OF THE BOARD

WNJumba.

WINNIEFRED JUMBA
COMPANY SECRETARY
Date: 12th November 2025

NOTES:

1. The Board has determined that the 2025 Annual General Meeting of the Company be held via electronic means in accordance with Article 38.5 of the Company's Articles of Association.
2. Shareholders wishing to participate in the meeting should register for the AGM via a link to the AGM Platform that will be sent to them by SMS and / or email or via **https://digital.candr.africa** or by dialling *384*043# and follow the various registration prompts. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their Shares or CDSC Account Number at hand. For assistance shareholders should dial the following helpline number: ((+254 20 8690360 from 9:00 a.m. to 4:00 p.m. from Monday to Friday. Any shareholder outside Kenya should email digital@candr.africa to be assisted to register.
3. Registration for the AGM opens on 27th November 2025 at 08:00 am and will close on 3rd December 2025 at 12.00 noon.
4. In accordance with Article 180 of the Companies Act and the Article 37.3 of the Company's Articles of Association, the following documents are available on the Company's website (**https://unga-group.com**):
   4.1 copy of this Notice and the proxy form;
   4.2 the Company's audited financial statements for the year ended 30th June 2025.
5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
   5.1 Sending their written questions by email to **digital@candr.africa**; or
   5.2 Accessing Virtual AGM via a link to the AGM Platform (or via **https://digital.candr.africa/**); Select Attend Event; Select "Q&A" option tab and submit questions in text box provided;
   5.3 Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialling the USSD code above and selecting the option (ask Question) on the prompts (within 160-character limit for SMS text); or
   5.4 To the extent possible, physically delivering their written questions with a return physical address or email address to the registered office of the Company's Offices, Ngano House, Commercial Street, Industrial Area, P.O. Box 30096-00100, Nairobi; or sending their written questions with a return physical address or email address by registered post to the Company Registrars address: Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue.
   5.5 Shareholders wishing to vote may do so prior to the AGM during the registration open period or during the AGM by:
      a) Accessing Virtual AGM via a link to the AGM platform (or via https://digital.candr.africa/); Select Attend Event; Select Voting Matters option tab at the top of the live stream display section and vote; or
      b) Accessing Virtual AGM via USSD platform via *384*043#; Select the menu option for Voting and follow the various prompts regarding the voting process.
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.
   6.1 A proxy need not be a member of the Company. If the proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
   6.2 A proxy form is available on the Company's website via this link: (https://unga-group.com) Physical copies of the proxy form are also available at Company's Offices, Ngano House, Commercial Street, Industrial Area, Nairobi; or the Company Registrars address: Custody & Registrars, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi.
   6.3 A proxy must be signed by the appointer or his attorney duly authorised in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorised attorney of such body corporate.
   6.4 A completed form of proxy should be emailed to **proxy@candr.africa** or delivered to Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue so as to be received not later than 48 hours before the time of holding the meeting i.e. 2nd December 2025 at 10.00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number and email address to the Company no later than 2nd December 2025 at 10.00 a.m.
   6.5 Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 2nd December 2025 to allow time to address any issues.
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 general meeting. Duly registered shareholders and proxies will receive a short message service (SMS) and/or email two hours ahead of the AGM, reminding them that the AGM will begin in two hours' 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 by the Chairman) via the USSD prompts or on the AGM Platform
9. A poll shall be conducted for all the resolutions put forward in the notice.
10. Results of the poll shall be published within 48 hours following conclusion of the AGM on the Company's website.
11. The preferred method of paying dividends which are below Kshs 250,000.00 is through M-PESA. Shareholders who wish to receive their dividend through M-PESA and who have not registered for this mode of payment can opt to receive future dividends via M-PESA by dialling *483*038# or contacting the Share Registrar, Custody & Registrars Services Limited.
12. All present and former shareholders of the Company are hereby notified that pursuant to the provisions of the Unclaimed Financial Assets Act No 40 of 2011 Parts II and III, dividends and shares which have not been claimed for a period of three (3) years or more will require to be delivered to the Unclaimed Financial Assets Authority ('the Authority) as abandoned assets on the appointed date.

Therefore, all shareholders with previous unpaid dividends are requested to urgently contact the Share Registrar, Custody & Registrars Services Limited at IKM Place, Tower B, 1st Floor 5th Ngong Avenue, Nairobi; Tel: Mobile: (020) 7909276 Email: **info@candr.africa** to claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority.

PROXY FORM

98TH ANNUAL GENERAL MEETING | 4TH DECEMBER 2025

I/WE ______________________________

Share Account ______________________________

of (Address) ______________________________

being a member of the above Company, hereby appoint: ______________________________

of (Address) ______________ Tel; ______________ Email; ______________

Whom failing ______________________________

of (Address) ______________ Tel; ______________ Email; ______________

or failing him, the Chairman of the Meeting, as our/my proxy, to vote for us/me and on our/my behalf at the Ninety-Eighth (98th) Annual General Meeting of Unga Group Plc to be held on Thursday, 4th December 2025 and at any adjournment thereof.

I authorise my proxy to vote as follows on the resolutions for the meeting.

	Agenda items	Accept	Reject	Abstain
	ORDINARY BUSINESS:			
1.	To confirm the minutes of the Ninety Seventh (97th) Annual General Meeting held on Thursday, 5th December 2024.			
2.	To receive the Chairman's report.			
3.	To receive and adopt the Consolidated Audited Financial Statements for the financial year ended 30th June 2025 together with the Reports of the Directors and the Auditors thereon.			
4.	Election of Directors: (a) In accordance with the provisions of Article 67.1 & 67.2 (1) of the Company's Article of Association, Ms. Kinya Kimotho retires by rotation and being eligible, offers herself for re-election.			
	(b) In accordance with the provisions of Article 67.1 & 67.2(ii) of the Company's Articles of Association: i. Mr. Jinaro Kibet retires by rotation and being eligible, offers himself for re-election. ii. Ms Wanjiru Miringu retires by rotation and being eligible, offers herself for re-election.			
	(c) In accordance with the-provisions of Section 769 of the Companies Act, 2015 the following Directors, being members of the Group Board Audit & Risk Committee be elected to continue to serve as members of the said Committee:- Ms. Kinya Kimotho Ms. Shilpa Haria Mr. Andrew Ndegwa Ms. Wanjiru Miring'u Ms. Wangari Murugu			
5.	Directors' Remuneration (a) To approve the Directors' Remuneration Policy as shown in the Audited Financial Statements for the year ended 30th June 2025.			
	(b) To approve the Directors' Remuneration Report as shown in the Audited Financial Statements for the year ended 30th June 2025.			
6.	To note that the auditors, Messrs. PricewaterhouseCoopers (PwC) will continue in office in accordance with Section 721 (2) and 724 of the Companies Act, No.17 of 2015 and to authorise the Directors to fix their remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Companies Act 2015.			

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

Signed ______________________________

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend in his stead. A proxy need not be a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or, if the appointor is a Corporation, either under seal, or under the hand of an officer or attorney duly authorised.
3. To be valid, this Proxy Form must be duly completed by a member and must either be emailed to proxy@candr.africa or delivered to Custody & Registrars Services Ltd, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue P.O. Box 8484-00100, Nairobi, so as to be received not later than 2nd December 2025 at 10:00 a.m.
4. Please attach a copy of your ID when submitting.

UNGA GROUP Plc

Nutrition for Life