UGANDA CLAYS LIMITED

Beauty to Last

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE 2026

1. INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	UNAUDITED 30TH JUNE 2026 (UGX "M")	AUDITED 30TH JUNE 2025 (UGX "M")
Revenue	19,814	15,055
Cost of sales	(7,905)	(8,496)
Gross profit	**11,909**	**6,559**
Other income	126	49
Overhead costs	(3,726)	(4,491)
EBITDA	**8,310**	**2,116**
Operating profit/(loss)	**6,432**	**(294)**
Finance costs	(2,061)	(1,703)
Profit/(loss) before income tax	**4,371**	**(1,997)**
Income tax charge/credit	(1,320)	624
Profit/(loss) after tax for the period	**3,051**	**(1,373)**
Basic Profit/l(loss) per share	3.39	(1.53)

2. INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30TH JUNE 2026 (UGX "M")	AUDITED 31ST DECEMBER 2025 (UGX "M")
Non - current assets	63,996	65,742
Current assets	17,993	14,861
Total assets	**81,989**	**80,603**
Equity	41,012	37,961
Non - current liabilities	29,457	28,037
Current liabilities	11,520	14,605
Total equity & liability	**81,989**	**80,603**

3. INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital (Ugx "M")	Share premium (Ugx "M")	Other components of equity (Ugx "M")	Retained earnings (Ugx "M")	Total (Ugx "m")
At 1st January 2026	**900**	**9,766**	**4,322**	**22,973**	**37,961**
Profit/(loss) for the period	-	-	-	3,051	3,051
At 30th June 2026	**900**	**9,766**	**4,322**	**26,024**	**41,012**

4. INTERIM CONDENSED STATEMENT OF CASHFLOWS

	UNAUDITED 30TH JUNE 2026 (UGX "M")	AUDITED 30TH JUNE 2025 (UGX "M")
Operating activities		
Cash from operations	1,965	(4,286)
Net cash generated from operating activities	**1,965**	**(4,286)**
Investing activities		
Cash paid for purchase property and equipment	(986)	(1,712)
Interest received on investment securities	-	833
Net cash used in investing activities	**(986)**	**(879)**
Financing activities		
Payments/proceeds from short term loan	(1,315)	5,160
Net cash from financing activities	**(1,315)**	**5,160**
Movement in cash and cash equivalents		
At 1st January 2026/25	555	289
Increase/(decrease)	(336)	(5)
At 30th June 2026/25	**219**	**284**

Overview

The Board of Directors of Uganda Clays Limited (UCL) is pleased to present the unaudited condensed interim financial results for the six months ended 30th June 2026.

The first half of 2026 represents a significant milestone in the Company's recovery and transformation journey, with UCL returning to profitability and recording a marked improvement in its underlying operating performance. The turnaround was supported by stronger market demand, increased production volumes, improved plant utilisation and availability, disciplined cost discipline and improved operational efficiency.

The Company operated in a stable macroeconomic environment, which provided a supportive backdrop for the construction and manufacturing sectors. Building on this, UCL continued to execute its strategic priorities with a focus on driving sustainable growth, improving operational efficiency, maintaining cost discipline and capacity utilization. Importantly, the Company remains focused not only on achieving profitability, but on converting the operational improvements into sustainable cash generation, strengthening the balance sheet and reducing its debt burden.

The Board remains confident that the progress achieved during the period provides a stronger foundation for sustainable growth, improved financial resilience and long-term value creation for shareholders and other stakeholders.

Performance highlights

Revenue increased by 32% to UGX 19.81 billion, up from UGX 15.06 billion in 2025. The growth was driven by stronger demand across key market segments, including Business-to-Business (B2B) alongside the expansion of the Company's distribution network across the country. Improved plant utilization further strengthened the Company's ability to meet market demand and ensure consistent product availability.

Gross margin strengthened significantly year on year, rising from 44% to 60%, driven by improved production efficiency, stronger cost control and higher production volumes across Kajjansi and Kamonkoli.

Overhead costs declined by 17% year on year to UGX 3.76 billion, reflecting continued cost discipline and a more efficient allocation of resources towards core operations and growth priorities.

EBITDA grew by 293% year on year, marking a significant strengthening in underlying operating performance and further demonstrating the momentum of the Company's turnaround. These measures were directly the resultant turn-around in operating profit margin from an adverse 2% to a favorable 32% during the first half of the year.

Finance costs increased by 21% year on year to UGX 2.06 billion, largely reflecting higher interest costs on the Company's financing facilities. The Company remains focused on disciplined debt management, including plans to commence early repayment of the NSSF facility, to reduce financing costs and strengthen the balance sheet.

Strengthened Liquidity and Debt Management: Current liabilities declined by 21% from 2025-year end position, strengthening the Company's liquidity position and supporting continued balance sheet improvement. Non-current liabilities increased by 5%, primarily due to interest accrued on the NSSF facility. The Company remains focused on disciplined debt reduction and strengthening its financial position.

Cash flow from operating activities turned positive at UGX 1.96 billion, compared with a negative UGX 4.29 billion in H1 2025, reflecting stronger cash generation from the underlying business. The Company also used internally generated cash to reduce debt and make strategic investments in its operations, supporting stronger financial resilience and future growth.

Dividends

While the company has achieved a strong return to profitability, UCL remains focused on debt reduction and preserving operating liquidity to sustain production stability. Consequently, the Board of Directors has resolved not to declare an interim dividend for the six-month period ended 30th June 2026.

All available operating capital will be re-invested into core operations and debt servicing.

Outlook & future strategy

UCL remains committed to driving long-term shareholder value through:

- Accelerating Growth
- Innovation for Growth.
- Drive Operational Excellence.
- Modernize and Scale Manufacturing

Message from the directors

The unaudited interim condensed financial statements are extracts from the books of the Company. The most recent audited financial statements of the company for the year ended 31st December 2025 are available on the company's website www.ugandaclays.co.ug.

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on **26th August 2026,** and signed on their behalf by:

Eng. Martin Kasekende
CHAIRMAN OF THE BOARD

Jones Muhumuza
Ag. MANAGING DIRECTOR