



## EXTRACT FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UGANDA CLAYS LIMITED

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2025, the summary statement of comprehensive income, summary statement of changes in equity, and the summary statement of cash flows for the year then ended, and the related notes, are derived from the audited financial statements of Uganda Clays Limited for the year ended 31 December 2025.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with the basis of preparation described in the notes accompanying the summary financial statements.

#### Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies Act, Cap 106 of Uganda. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 7<sup>th</sup> April 2026. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

#### Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the basis described in the notes accompanying the summary financial statements.

#### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

*Ernst & Young*

Ernst & Young  
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Shimoni Office Village  
P. O. Box 7215, Kampala, Uganda  
Date: 7<sup>th</sup> April 2026

#### Message from the directors

The Company's financial statements for the year ended 31 December 2025 were audited by Ernst & Young (EY) Certified Public Accountants and received an unmodified audit opinion. The financial statements were approved by the Board of Directors on 31 March 2026.

Eng. Martin Kasekende  
CHAIRMAN OF THE BOARD

Jones Muhumuza  
Ag. MANAGING DIRECTOR

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2025 (Ushs 'M)	2024 (Ushs 'M)
Revenue	34,809	31,602
Cost of sales	(19,823)	(23,319)
<b>Gross profit</b>	<b>14,986</b>	<b>8,283</b>
Other Income	88	298
Overhead costs	(10,483)	(11,346)
<b>Operating profit</b>	<b>4,591</b>	<b>(2,765)</b>
Finance costs	(3,925)	(3,208)
<b>Profit / (loss) before income tax</b>	<b>666</b>	<b>(5,974)</b>
Income tax (expense) / credit	(524)	1,023
<b>Profit / (loss) after tax for the period</b>	<b>142</b>	<b>(4,950)</b>
Basic earnings / (loss) per share	0.16	(5.5)

### SUMMARY STATEMENT OF FINANCIAL POSITION

	2025 (Ushs 'M)	2024 (Ushs 'M)
Non - Current Assets	65,742	60,590
Current assets	14,861	15,791
<b>Total assets</b>	<b>80,603</b>	<b>76,381</b>
Equity	37,961	38,287
Non - Current Liabilities	28,037	19,072
Current Liabilities	14,605	19,022
<b>Total Equity and liability</b>	<b>80,603</b>	<b>76,381</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital (Ushs 'M)	share premium (Ushs 'M)	Other components of equity (Ushs 'M)	Retained earnings (Ushs 'M)	Total (Ushs 'M)
At 1 January 2025	900	9,766	4,790	22,831	38,287
Other changes in reserves	-	-	(468)	-	(468)
Profit for the year	-	-	-	142	142
At 31 December 2025	900	9,766	4,322	22,973	37,961

### SUMMARY STATEMENT OF CASH FLOWS

	2025 (Ushs 'M)	2024 (Ushs 'M)
<b>Operating activities</b>		
Net cash generated from operating activities	1,533	8,090
<b>Investing activities</b>		
Net cash used in investing activities	(5,045)	(7,360)
<b>Financing activities</b>		
Net cash generated from / (used in) financing activities	3,740	(649)
<b>Movement in cash and cash equivalents</b>		
<b>At start of the year</b>	<b>332</b>	<b>250</b>
Foreign exchange differences on bank balances	(6)	1
Increase in cash and cash equivalents	228	81
<b>At end of year</b>	<b>554</b>	<b>332</b>

### Notes to the summary financial statements of Uganda Clays Limited

The summary financial statements are prepared in accordance with the Uganda Clays Limited accounting policies which entail presenting the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows as extracted from the Company's audited financial statements.

#### Overview

The Board of Directors of Uganda Clays Limited is pleased to present the summary annual financial results for the year ended 31 December 2025.

The Company has recorded a significant turnaround in its financial performance, driven by improved operational stability across its production processes. This performance was reinforced by higher production volumes, enhanced plant efficiency, and disciplined cost management across key operational areas.

These gains reflect deliberate actions by the Company to enhance operational efficiency, strengthen cost management and reinforce market presence through reliable product availability, collectively driving revenue growth and margin improvement.

Despite elevated finance costs, largely attributable to interest obligations on existing borrowings, the Company achieved stronger revenue growth relative to cost increases, culminating in a return to profitability.

Uganda Clays Limited continues to uphold high standards of health, safety, and environmental stewardship across all its operations.

#### Performance Highlights

Revenue grew by 10% to Ushs 34.8 billion (2024: Ushs 31.6 billion), driven by improved production stability which supported higher sales volumes across key market segments.

Gross profit improved by 81% to Ushs 15.0 billion (2024: Ushs 8.3 billion), underpinned by a 15% reduction in cost of sales supported by enhanced production efficiency.

Operating expenses declined by 8% to Ushs 10.5 billion (2024: Ushs 11.3 billion), reflecting improved efficiency and streamlined operations.

Finance costs increased to Ushs 3.9 billion (2024: Ushs 3.2 billion), primarily due to continued interest charges on existing borrowings.

Profit after tax improved to Ushs 0.14 billion, compared to a loss of Ushs 4.95 billion in 2024, marking a return to profitability. Earnings per share rose to Ushs 0.16, from a loss per share of Ushs 5.5 in the previous year.

The Company's net cash position improved to Ushs 554 million (2024: Ushs 332 million), driven by improved collections and stronger cash management.

#### Strategic Outlook

To sustain and build on the recovery achieved in 2025, the Company is advancing the following strategic priorities:

- Capacity Utilization: Driving higher plant efficiency and output to capture growing market demand and enhance margins.
- Market Expansion: Expanding distribution reach and entering new segments to accelerate revenue growth.
- Operational Efficiency: Driving efficiencies through automation to enhance operating performance.

The Company remains confident that these strategic priorities will drive sustained profitability and deliver long-term shareholder value.

#### Dividend

Given that the Company recorded a marginal profit of Ushs 0.14 billion during the period, the Board of Directors has proposed no dividend for the year ended 31 December 2025, in order to preserve cash and support ongoing operational recovery. This proposal is subject to approval by shareholders at the Annual General Meeting scheduled for 26th June 2026.

These results are extracted from the audited financial statements of Uganda Clays Limited for the year ended 31 December 2025 which were prepared in accordance IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap. 106, of Uganda. The financial statements were audited by Ernst & Young, Certified Public Accountants of Uganda, and have received an unqualified opinion.

A copy of the full audited financial statements will be available on our website, [www.ugandaclays.co.ug](http://www.ugandaclays.co.ug). Alternatively, the financial statements can be obtained from our Head Office on Entebbe Road, Kajjansi, P. O. Box 3188, Kampala or from the Company Secretary, Lex Uganda Advocates, 8th floor Communication House, P. O. Box 22490, Kampala.