

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

---

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

	Note	2025 KSh	2024 KSh
Revenue	5	351,093,966	309,864,386
Cost of sales	6	<u>(263,270,426)</u>	<u>(212,074,621)</u>
<b>Gross profit</b>		87,823,540	97,789,765
Other income	7	0	2,601,673
Sales and marketing costs		(2,492,751)	(1,838,444)
Administrative expenses		(36,338,378)	(32,779,439)
Establishment expenses		<u>(25,842,065)</u>	<u>(25,248,974)</u>
<b>Operating profit</b>		<b>23,150,346</b>	<b>40,524,581</b>
Finance costs	8	<u>(14,830,004)</u>	<u>(20,965,620)</u>
<b>Profit before tax</b>	9	8,320,342	19,558,961
Tax income	10	<u>(4,183,170)</u>	<u>(9,383,777)</u>
<b>Profit for the year</b>		<u><u>4,137,172</u></u>	<u><u>10,175,184</u></u>
Earnings per share		4.10	10.07

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

---

**BALANCE SHEET AT 31ST DECEMBER 2025**

	Note	2025 KSh	Restated 2024 KSh
<b>EQUITY</b>			
Ordinary share capital	11	10,100,000	10,100,000
Revaluation surplus	11	38,955,302	38,955,302
Accumulated profits		<u>24,002,543</u>	<u>19,865,371</u>
<b>Total equity</b>		<u><u>73,057,845</u></u>	<u><u>68,920,673</u></u>
<b>Non-current Liability</b>			
Borrowings	16	120,000,557	71,884,251

Deferred tax	17	3,606,765	853,597
		<u>123,607,322</u>	<u>72,737,848</u>
		<u>196,665,167</u>	<u>141,658,521</u>
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Equipment	12	198,185,095	120,624,337
Right-of-use of assets	14	<u>25,227,222</u>	<u>25,504,444</u>
		<u>223,412,318</u>	<u>146,128,781</u>
<b>Current assets</b>			
Inventory	18	62,469,885	24,238,300
Trade and other receivables	19	164,129,456	124,104,427
Cash at bank and in hand	20	7,225,241	2,331,086
Current tax receivable		<u>715,701</u>	<u>715,701</u>
		<u>234,540,283</u>	<u>151,389,514</u>
<b>Current liabilities</b>			
Trade and other payables	21	213,867,871	112,690,752
Borrowings	16	42,371,333	35,986,859
Current tax payable		<u>5,048,229</u>	<u>7,182,164</u>
		<u>261,287,433</u>	<u>155,859,775</u>
<b>Net current assets</b>		<u>(26,747,150)</u>	<u>(4,470,261)</u>
		<u>196,665,167</u>	<u>141,658,521</u>

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

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

	Note	2025 KSh	2024 KSh
<b>Cash flows from operating activities</b>			
Profit for the year		4,137,172	10,175,184
Adjustments for:			
Tax income	10	4,183,170	9,383,777
Depreciation of equipment	12	9,510,397	7,876,656
Asset write-off	12	-	141,827
Depreciation of right-of-use assets	14	277,222	277,222
Interest expense	8	<u>14,791,274</u>	<u>14,569,803</u>
<b>Operating profit/(loss) before working capital changes</b>		32,899,236	42,424,469

Increase in:			
Inventories		(38,231,585)	1,947,345
Other receivables		(40,025,029)	17,324,222
Increase in:			
Trade and other payables		<u>101,177,119</u>	<u>(40,005,826)</u>
<b>Cash generated generated from/(used in) operations</b>		55,819,741	21,690,210
Interest expense		(14,791,274)	(14,569,803)
Income tax paid		<u>(3,563,937)</u>	<u>(6,069,041)</u>
<b>Net cash used in operating activities</b>		<u>37,464,529</u>	<u>1,051,366</u>
<b>Cash flows from investing activities</b>			
Purchase of equipment	12	(87,071,156)	(79,399,695)
Additions of right of use asset	14	<u>-</u>	<u>(100,000)</u>
<b>Net cash used in investing activities</b>		<u>(87,071,156)</u>	<u>(79,499,695)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares		-	0
Movement of borrowings	16	<u>54,500,781</u>	<u>75,029,355</u>
<b>Net cash generated from financing activities</b>		<u>54,500,781</u>	<u>75,029,355</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		4,894,163	(3,418,974)
<b>Cash and cash equivalents at start of year</b>		<u>2,331,078</u>	<u>5,750,052</u>
<b>Cash and cash equivalents at end of year</b>	20	<u><u>7,225,241</u></u>	<u><u>2,331,078</u></u>

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

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

	Note	Ordinary share capital KSh	Revaluation Reserve KSh	Accumulated profits KSh	Total KSh
<b>At 1st January 2024</b>					
- As previously reported		10,100,000	38,955,302	11,353,520	60,408,822
- Impact of transition to IFRS				--	--
<b>- As restated</b>		<u>10,100,000</u>	<u>38,955,302</u>	<u>9,690,187</u>	<u>58,745,489</u>
At 1st January 2024		10,100,000	38,955,302	9,690,187	58,745,489
Shares issued		0	-	-	-
Profit for the year		-	-	10,175,184	10,175,184
- As restated		<u>10,100,000</u>	<u>38,955,302</u>	<u>19,865,371</u>	<u>68,920,673</u>
<b>At 1st January 2025</b>		10,100,000	38,955,302	19,865,371	68,920,673
Shares issued	11	-	-	-	-
Profit for the year		<u>-</u>	<u>-</u>	<u>4,137,172</u>	<u>4,137,172</u>
<b>At 31st December 2025</b>		<u>10,100,000</u>	<u>38,955,302</u>	<u>24,002,543</u>	<u>73,057,845</u>

## **Business Environment**

Macroeconomic and sectoral fundamentals remain broadly supportive for the packaging industry, with stable foreign exchange conditions, improved political stability, favourable weather patterns, and continued policy emphasis on local manufacturing.

However, the operating environment has been affected by tight liquidity in the domestic market, driven by delayed payments across the value chain and cautious spending by manufacturers. While order volumes remain steady, slower cash conversion cycles have moderated the pace of growth and required heightened focus on working-capital management as well as risk management.

## **The Business in 2025**

During the year under review, SKL PLC continued to make strong progress in its core business of manufacturing corrugated boxes for a broad range of clients across various sectors. The Company had a strong 2025 which was generally characterised by strong growth. In each quarter, SKL outperformed the corresponding quarter of 2024 with the bulk of the growth coming in the fourth quarter.

SKL made some key investments in equipment that improved capacity where it was able to immediately take advantage of. This saw a significant jump in revenues in the fourth quarter of 2025. SKL also made an investment in IT systems that will help it improve its administration which is critical for the next stage of growth. In addition, SKL also started hiring in preparation of the additional capacity that is expected to come on board towards the end of the year.

Revenue grew by 13.5%, from KES 309 million in 2024 to KES 351 million in 2025. However, SKL faced a margin squeeze thanks to changes in tax policy causing gross profit to decrease by 10%, reducing from KES 97 million to KES 87 million due to increase in cost of input.

EBITA reduced by 43%, from KES 40 million in the prior year to KES 23 million attributed majorly to costs related to being publicly listed in addition to the aforementioned margin squeeze.

Cash flow management was notably less strong during the year. Cashflow was impacted by increased receivables, increase in VAT input and, increased inventory holding which was done to take advantage of emerging opportunities and investment in the new project which is progressively consuming additional capital.

## **Outlook**

The Company continues to monitor developments in the Middle East and the impact it is having, now and in the future, on the business.

The Company will continue to pursue strategic initiatives to take advantage of emergent opportunities. It will continue to aggressively market itself in available fora such as trade

exhibitions across the East Africa region, enhancing brand visibility and market reach. SKL's long-standing presence and strong relationships with existing clients position the Company well for future growth.

SKL currently enjoys demand from key sectors—including herbs, dairy, edible oils, pharmaceuticals, and sugar & confectionery which continues to grow.

The first quarter of 2026 was encouraging as the growth trend continued and the company is cautiously optimistic that this trend will continue for the remainder of the year. SKL continues to monitor the impact of the developments in the middle east

### **Kissaju Project**

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