QUICK MART LIMITED

REPORTING ACCOUNTANT'S REPORT ON THE COMPILATION OF HISTORICAL FINANCIAL STATEMENTS, REVIEW OF FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021, 2022, 2023, 2024, 2025 AND SIX MONTHS PERIOD ENDED 30 JUNE 2026 AND EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION AS OF 31 DECEMBER 2027 AND FOR THE PERIOD FROM 1 JULY 2026 TO 31 DECEMBER 2027

Shape the future with confidence

Ernst & Young LLP
Kenya-Re Towers
Upper Hill
Off Ragati Road
PO Box 44286 - 00100
Nairobi GPO, Kenya

Tel: +254 20 2886000
Email: info@ke.ey.com
www.ey.com
LLP/2015/52

To The Directors
Quick Mart Limited
Ruaka - Old Limuru Road
P.O. Box 2361-00621
Nairobi, Kenya

COMPILATION REPORT ON THE HISTORICAL FINANCIAL STATEMENTS

We have compiled the accompanying historical financial statements for Quick Mart Limited for the years ended 31 December 2021, 2022, 2023, 2024, 2025 and six months' period ended 30 June 2026 ("the Financial Statements") based on information you provided.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the Financial Information as prescribed by The Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 (the "POLD Regulations"). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These Financial Statements, and the accuracy and completeness of the information used to compile it are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

As stated on Note 1 (b), the Financial Statements are prepared and presented on the basis prescribed by IFRS Accounting Standards as issued by the International Accounting Standards Board for the purpose of Quick Mart Limited complying with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 (the "POLD Regulations"). Accordingly, the Financial Information is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of Quick Mart Limited, Capital Markets Authority, Nairobi Securities Exchange (NSE), and Potential Shareholders, and should not be distributed to parties other than Quick Mart Limited, Capital Markets Authority, Nairobi Securities Exchange (NSE), and Potential Shareholders.

Allan Gichuhi
For and on behalf of Ernst & Young LLP
Certified Public Accountants
Nairobi, Kenya
29/09/2026

Partners: A K Gichuhi, F N M Kamau, N M Muhoya, T O Nyakoe, C N Kirathe, H Nannyomo, D Mugisha.

Licensed by ICPAK as a Limited Liability Partnership of Certified Public Accountants.

A member firm of Ernst & Young Global Limited.

Shape the future with confidence

Ernst & Young LLP
Kenya-Re Towers
Upper Hill
Off Ragati Road
PO Box 44286 - 00100
Nairobi GPO, Kenya

Tel: +254 20 2886000
Email: info@ke.ey.com
www.ey.com
LLP/2015/52

INDEPENDENT PRACTITIONER'S REVIEW REPORT

To The Directors
Quick Mart Limited
Ruaka – Old Limuru Road
P.O. Box 2361-00621
Nairobi, Kenya

Report on the Financial Statements

We have reviewed the accompanying financial statements of Quick Mart Limited which comprise the statement of financial position as at 30 June 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years ended 31 December 2021, 2022, 2023, 2024, 2025 and the six months' period ended 30 June 2026, and a summary of material accounting policy information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with auditing standards issued by the International Auditing and Assurance Standards Board. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Quick Mart Limited as at 30 June 2026, and of its financial performance and cash flows for the years ended 31 December 2021, 2022, 2023, 2024, 2025 and the six months' period ended 30 June 2026, in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

Allan Gichuhi

For and on behalf of Ernst & Young LLP
Certified Public Accountants
Nairobi, Kenya

29/09/2026

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

B. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30 June 2026 (6 months) KShs 000	31 December 2025 KShs 000	31 December 2024 KShs 000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Revenue	4	27,266,942	50,427,637	46,707,717	41,215,775	34,781,302	25,680,587
Cost of sales	5	(21,120,797)	(39,349,358)	(36,432,225)	(32,577,573)	(27,385,087)	(20,274,410)
Gross profit		6,146,145	11,078,279	10,275,492	8,638,202	7,396,215	5,406,177
Other income	6	167,920	339,999	284,187	233,431	181,009	190,753
Operating Income		6,314,065	11,418,278	10,559,679	8,871,633	7,577,224	5,596,930
EXPENSES							
Employee benefits	7	(1,758,232)	(3,155,532)	(2,936,397)	(2,619,561)	(2,331,089)	(1,692,958)
Administration and general expenses	8	(1,755,101)	(3,172,049)	(3,017,636)	(2,588,187)	(2,157,956)	(1,687,813)
Depreciation of property and equipment	13	(354,848)	(696,767)	(739,760)	(773,055)	(660,951)	(540,409)
Depreciation of right-of-use assets	19	(497,954)	(897,467)	(872,602)	(845,256)	(745,535)	(554,601)
Amortisation of intangible assets	14	(17,343)	(30,575)	(33,408)	(38,003)	(28,162)	(24,128)
Allowance for expected credit losses	9	17,981	(15,104)	6,203	(28,473)	(12,426)	297
Operating expenses		(4,365,497)	(7,967,494)	(7,593,600)	(6,892,535)	(5,936,119)	(4,499,612)
Operating profit before finance costs and tax		1,948,568	3,450,784	2,966,079	1,979,098	1,641,105	1,097,318
Net finance charges	10	(698,782)	(1,284,016)	(1,321,908)	(1,333,101)	(1,239,048)	(828,203)
Profit before tax	11	1,249,786	2,166,768	1,644,171	645,997	402,057	269,115
Income tax expense	12(b)	(376,993)	(658,194)	(509,364)	(196,386)	(127,099)	(86,478)
Profit for the year		872,793	1,508,574	1,134,807	449,611	274,958	182,637
Other comprehensive income for the year, net of tax		-	-	-	-	-	-
Total comprehensive income for the year, net of tax		872,793	1,508,574	1,134,807	449,611	274,958	182,637
Earnings per share: Basic and diluted earnings per ordinary share	22(b)	0.21820	0.37714	0.28370	0.11240	0.06874	0.04566

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

C. STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000'	31 December 2022 KShs '000'	31 December 2021 KShs '000'
Non-current assets:							
Property and equipment	13	5,656,763	5,260,143	4,888,915	5,272,278	5,179,840	4,031,101
Right-of-use assets	19	5,740,195	5,168,594	5,319,591	5,965,074	6,003,207	4,694,829
Intangible assets	14	94,406	99,725	85,590	103,632	92,974	74,084
Deferred tax asset	15	550,400	552,407	508,480	418,975	261,291	122,557
Long term deposits	16	222,114	222,114	216,227	216,227	218,720	185,281
Total non-current assets		12,263,878	11,302,983	11,018,803	11,976,186	11,756,032	9,107,852
Current assets:							
Inventories	17	3,815,047	4,430,959	3,554,903	3,418,462	3,540,275	2,366,886
Trade and other receivables	18	1,594,215	1,795,159	1,612,104	1,605,839	1,470,540	727,504
Short term deposits	20	314,252	1,393,514	806,575	9,069	36,339	389,016
Cash and cash equivalents	21	385,916	802,450	1,069,407	1,327,891	597,835	539,803
Shareholders' advance	26 (vi)	1,100,000	-	-	-	-	-
Total current assets		7,209,430	8,422,082	7,042,989	6,361,261	5,644,989	4,023,209
TOTAL ASSETS		19,473,308	19,725,065	18,061,792	18,337,447	17,401,021	13,131,061
EQUITY AND LIABILITIES							
EQUITY							
Share capital	22(a)	130	130	130	130	130	130
Share premium	22(a)	799,970	799,970	799,970	799,970	799,970	799,970
Retained earnings		1,128,554	255,761	394,242	435,900	586,289	311,331
Proposed dividends	23	-	-	-	-	-	288,235
Total equity		1,928,654	1,055,861	1,194,342	1,236,000	1,386,389	1,399,666
LIABILITIES							
Non-current Liabilities:							
Borrowings	24	-	-	46,286	177,066	588,748	145,572
Lease liabilities	19	6,972,482	6,510,056	6,312,982	6,835,239	6,476,055	5,083,477
Total non-current liabilities		6,972,482	6,510,056	6,359,268	7,012,305	7,064,803	5,229,049
Current liabilities:							
Borrowings	24	6,776	46,286	130,780	611,682	356,824	397,528
Lease liability	19	1,000,414	811,103	885,355	655,848	618,377	243,734
Dividends payable		-	-	-	-	182,353	-
Trade and other payables	25	9,383,713	11,218,156	9,288,787	8,724,860	7,667,824	5,745,875
Income tax payable	12(c)	181,269	83,603	203,260	96,752	124,451	115,209
Total current liabilities		10,572,172	12,159,148	10,508,182	10,089,142	8,949,829	6,502,346
TOTAL LIABILITIES		17,544,654	18,669,204	16,867,450	17,101,447	16,014,632	11,731,395
TOTAL EQUITY AND LIABILITIES		19,473,308	19,725,065	18,061,792	18,337,447	17,401,021	13,131,061

The compiled financial information on pages 3 to 41 were approved for issue by the board of directors on 29 September 2026 and signed on its behalf by:

Jacques Dome
Director's Name:

Director's Signature:

Peter Kang'iri
Director's Name:

Director's Signature:

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

D. STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital KShs '000	Share premium KShs '000	Retained earnings KShs '000	Proposed dividends KShs '000	Total KShs '000
At 1 January 2021		130	799,970	416,929	-	1,217,029
Profit for the year		-	-	182,637	-	182,637
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	182,637	-	182,637
Proposed dividend:						
Interim	23	-	-	(105,882)	105,882	-
Final	23	-	-	(182,353)	182,353	-
At 31 December 2021		130	799,970	311,331	288,235	1,399,666
At 1 January 2022		130	799,970	311,331	288,235	1,399,666
Profit for the year		-	-	274,958	-	274,958
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	274,958	-	274,958
Dividend:						
2021 dividend	23	-	-	-	(288,235)	(288,235)
At 31 December 2022		130	799,970	586,289	-	1,386,389
At 1 January 2023		130	799,970	586,289	-	1,386,389
Profit for the year		-	-	449,611	-	449,611
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	449,611	-	449,611
Dividend:						
Interim dividend paid	23	-	-	(600,000)	-	(600,000)
At 31 December 2023		130	799,970	435,900	-	1,236,000

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

D. STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital KShs '000	Share premium KShs '000	Retained profit KShs '000	Proposed dividends KShs '000	Total KShs '000
At 1 January 2024		130	799,970	435,900	-	1,236,000
Profit for the year		-	-	1,134,807	-	1,134,807
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	1,134,807	-	1,134,807
Dividend:						
Interim dividend paid	23	-	-	(1,176,465)	-	(1,176,465)
At 31 December 2024		130	799,970	394,242	-	1,194,342
At 1 January 2025		130	799,970	394,242	-	1,194,342
Profit for the year		-	-	1,508,574	-	1,508,574
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	1,508,574	-	1,508,574
Dividend:						
Interim dividend paid	23	-	-	(1,647,055)	-	(1,647,055)
At 31 December 2025		130	799,970	255,761	-	1,055,861
At 1 January 2026		130	799,970	255,761	-	1,055,861
Profit for the year		-	-	872,793	-	872,793
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	872,793	-	872,793
Dividend:						
Interim dividend paid	23	-	-	-	-	-
At 30 June 2026		130	799,970	1,128,554	-	1,928,654

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

E. STATEMENT OF CASH FLOWS

	Notes	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
OPERATING ACTIVITIES							
Profit before tax		1,249,788	2,166,768	1,644,171	645,997	402,057	269,115
Adjustments for: -							
Depreciation property and equipment	13	354,848	696,767	739,760	773,055	660,951	540,409
- Right-of-use assets	19	497,954	897,467	872,602	845,256	745,535	554,601
Amortisation charge on intangible assets	14	17,343	30,575	33,408	38,003	28,162	24,128
Finance charges on capital leases	19	554,623	1,008,131	995,480	997,803	909,026	580,193
Rent concessions	19	-	-	-	-	-	3,773
Gain on termination of lease	6	-	(17,489)	-	-	-	(685)
Gain on disposal of property and equipment	6	(628)	(3,683)	(6,839)	-	(2,703)	-
Operating profit before working capital changes		2,673,928	4,778,536	4,278,582	3,300,114	2,743,028	1,971,534
Working capital changes:							
- Inventories		615,912	(876,056)	(136,441)	121,813	(1,173,389)	(682,384)
- Trade and other receivables		200,944	(183,055)	(6,265)	(135,299)	(743,036)	(512,909)
- Shareholders' advance	26 (vi)	(1,100,000)	-	-	-	-	-
- Trade and other payables		(1,834,447)	1,929,369	563,927	1,057,036	1,921,949	1,310,601
Cash generated from operations		556,337	5,648,794	4,699,803	4,343,664	2,748,552	2,086,842
Income tax paid	12(c)	(277,320)	(821,778)	(492,361)	(381,769)	(256,591)	(103,883)
Net cash generated from operating activities		279,017	4,827,016	4,207,442	3,961,895	2,491,961	1,982,959
INVESTING ACTIVITIES							
Purchase of property and equipment	13	(751,628)	(1,089,658)	(393,456)	(865,493)	(1,812,446)	(1,208,697)
Proceeds from disposal of property and equipment		790	25,346	43,898	-	4,136	-
Purchase of intangible assets	14	(12,024)	(44,710)	(15,366)	(48,661)	(45,729)	(27,796)
Payments for long term deposits		-	(5,887)	-	2,493	(33,439)	(41,993)
Net cash used in investing activities		(762,862)	(1,114,909)	(364,924)	(911,661)	(1,887,478)	(1,278,486)

QUICK MART LIMITED
COMPILED FINANCIAL INFORMATION

E. STATEMENT OF CASH FLOWS (CONTINUED)

FINANCING ACTIVITIES	Notes	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Proceeds from bank borrowings	24	-	-	-	200,000	800,000	500,000
Repayment of bank borrowings	24	(39,510)	(130,780)	(611,682)	(356,824)	(262,528)	(91,900)
Payment of dividends		-	(1,647,055)	(1,176,465)	(782,353)	(105,882)	-
Proceeds from shareholder's loan	24	-	-	-	-	-	225,000
Repayment of shareholders' loan	24	-	-	-	-	(135,000)	(620,000)
Repayment of lease liabilities	19	(972,441)	(1,614,290)	(1,515,349)	(1,408,271)	(1,195,718)	(827,473)
Net cash used in financing activities		(1,011,951)	(3,392,125)	(3,303,496)	(2,347,448)	(899,128)	(814,373)
Net (decrease)/increase in cash and cash equivalents		(1,495,796)	319,982	539,022	702,786	(294,645)	(109,900)
Cash and cash equivalents as at 1 January		2,195,964	1,875,982	1,336,960	634,174	928,819	1,038,719
Cash and cash equivalents as at		700,168	2,195,964	1,875,982	1,336,960	634,174	928,819
Represented by:							
Short term investments	20	314,252	1,393,514	806,575	9,069	36,339	389,016
Cash and cash equivalents	21	385,916	802,450	1,069,407	1,327,891	597,835	539,803
		700,168	2,195,964	1,875,982	1,336,960	634,174	928,819

QUICK MART LIMITED
NOTES TO THE HISTORICAL FINANCIAL INFORMATION FOR THE PRECEDING FIVE FINANCIAL YEARS AND REVIEWED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements of Quick Mart Limited (the "Company") are set out below. These policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

The measurement basis applied is historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenyan Shilling (KShs), which is also the functional currency, rounded to the nearest thousand (KSh'000') unless expressly stated otherwise.

b) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Kenyan Companies Act, 2015.

For purposes of reporting under the Kenyan Companies Act, the balance sheet in these financial statements is represented by the statement of financial position, and the profit or loss account is represented by the statement of profit or loss and other comprehensive income.

c) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Revenue from contracts with customers

The Company is in the business of running retail supermarket stores in Kenya. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it acts as the principal in the revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Revenue from contracts with customers (continued)

Loyalty points program

The Company has a loyalty points program, *Qpoints,* which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points.

The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue. The disclosures of significant estimates and assumptions relating to the estimation of the stand-alone selling price of the loyalty points are provided on Note 2.

(e) Tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognized for all taxable temporary differences, except:

- Where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Tax (Continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Current tax and deferred tax relating to items recognised in other comprehensive income or equity are also recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Expenses and assets are recognised net of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable, and
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(f) Property and equipment

Construction in progress (capital work-in-progress) is stated at cost, net of accumulated impairment losses, if any. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Depreciation is calculated on a reducing balance basis over the estimated useful lives of the assets, as follows:

- Property and fixtures at 12.5% per year
- Partitions and fixtures at 12.5% per year
- Bakery, fridges and commercial kitchen at 12.5% per year
- Heavy machinery at 12.5% per year
- Computers at 30% per year
- Motor vehicles at 25 % on reducing balance

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office /Store Space 4 - 15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Company acts as a lessor of premises. The Company leases out space within its premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. Further disclosures relating to rental income are also provided in Note 6.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss. Software licenses are amortised over a period of between 5 and 10 years.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost (debt instruments)
The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows, and
- 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, short term investments and cash and cash equivalents.

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (Continued)
When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies the simplified approach in calculating ECL. The Company's probabilities of default are based on the credit ratings obtained from credit agencies such as Fitch. A Lifetime PD is applied to the exposures. The days to maturity of the exposure are used to map the appropriate lifetime PD. The Company applies Loss Given Default percentages based on the industry in which the counterparty operates in.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Note 2 significant accounting judgements, estimates and assumptions
- Note 18 Trade receivables

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, loan from shareholder and lease liabilities.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost (loans and borrowings)
- Financial liabilities at fair value through profit or loss

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

The Company has not designated any financial liability at fair value through profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Trade discounts, rebates and other similar items are deducted in determining the cost of inventories.

The Company operates a periodic inventory system, whereby the cost of inventories sold during the period is determined based on physical inventory counts and inventory movement records. Inventory quantities are verified through regular cycle counts and comprehensive physical stock counts conducted at reporting dates. Any differences identified between recorded and actual inventory quantities are investigated and appropriately adjusted in the accounting records.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Inventories (continued)

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventories are assessed periodically for indicators of impairment, including slow-moving, obsolete, expired, damaged or discontinued goods. Where the carrying amount of inventory exceeds its net realisable value, the inventory is written down to net realisable value and the resulting loss is recognised in profit or loss within cost of sales.

The Company operates in the retail grocery sector where inventory losses may arise from shrinkage, including theft, spoilage, handling losses, administrative errors and other inventory variances. Shrinkage is assessed through periodic stock counts, inventory reconciliations and trend analyses. Identified shrinkage losses are recognised in profit or loss within cost of sales in the period in which they are determined.

The amount of inventory recognised as an expense during the period, including inventory write-downs, write-offs and shrinkage losses, is included within cost of sales in the statement of profit or loss. Any subsequent reversal of inventory write-downs arising from an increase in net realisable value is recognised in profit or loss in the period in which the reversal occurs, to the extent of the original write-down.

(l) Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Cash and short-term deposits

These comprise cash on hand and at bank and short-term highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Pensions and other post-employment benefits

The Company contributes to the statutory National Social Security Fund (NSSF). This fund is a defined contribution scheme registered under the National Social Security Fund Act. The Company's obligations under this scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of KShs. 540 per employee per month for Tier 1 contributions remitted to NSSF and KShs 3,780 per month for Tier 2 contributions. Tier 2 Contributions have been contracted out to a collective pension fund managed by Prudential Life Assurance Kenya Limited.

The Company's obligations to the scheme are recognized in the statement of profit or loss and other comprehensive income.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) New and amended standards, interpretations and improvements

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS for periods beginning on or after 1 January 2026. The new standards and amendments effective as of 1 January 2026 are listed below. The adoption of the standard and amendments did not have an impact on the financial statements of the Company.

New standards or amendments	Effective for annual period beginning on or after
Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	1 January 2026

New standards, amendments and interpretations in issue but not yet effective for the period ended 30 June 2026

Effective for annual periods beginning on or after 1 January 2027
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Translation to a hyperinflationary presentation currency – Amendments to IAS 21

Effective for annual periods beginning on or after 1 January 2029
- IFRS 20 - Regulatory Assets and Regulatory Liabilities 21

Effective date postponed indefinitely
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28
- Amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit or loss
An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'

Main business activities
For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which require judgement. An entity may have more than one main business activity.

Management-defined performance measures IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) New and amended standards, interpretations and improvements (continued)

Changes in material accounting policies information (continued)

IFRS 18 - Presentation and Disclosure in Financial Statements (continued)

Location of information, aggregation and disaggregation IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

Consequential amendments to other accounting standards Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed. New requirements have been added to IAS 33 Earnings per Share that only permit entities to disclose additional amounts per share if the numerator used in the calculation meets specified criteria. The numerator must be:

- An amount attributable to ordinary equity holders of the parent entity; and
- A total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which has been renamed IAS 8 Basis of Preparation of Financial Statements. IAS 34 Interim Financial Reporting has been amended to require disclosure of MPMs. Transition IFRS 18, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early adoption is permitted and must be disclosed.

The entity is currently assessing the expected impact on the financial statements as well as the relevant adoption strategies in case of a significant impact.

Except IFRS 18 - Presentation and Disclosure in Financial Statements as discussed above, the amendments are not expected to have an impact on the Company's financial statements at 31 December 2025.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Other disclosures relating to the Company's exposure to risks and uncertainties include:
- Capital management
- Financial instruments risk management and policies
- Sensitivity analyses disclosures

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

The key areas of judgement and sources of estimation uncertainty are as set out below:

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Company included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of buildings with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Company as lessor
The Company has entered into commercial property subleases on its leased properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the leases and the present value of the minimum lease payments not amounting to substantially all of the fair value of the leases, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Allowance for expected credit losses
The Company uses a counterparty credit rating methodology to calculate ECLs for trade receivables and cash and bank balances. Counterparties are grouped based on similar credit risk characteristics including customer type, industry and available credit ratings. Credit ratings obtained from recognised rating agencies, such as Moody's and Fitch are used where available, to assess the credit quality of counterparties and determine the associated probability of default for ECL measurement.
ECLs are derived from historical default data corresponding to each counterparty credit rating category. At each reporting date, the Company reviews the credit ratings and credit risk profiles of counterparties and updates the underlying default assumptions where necessary, to reflect changes in credit quality when estimating expected credit losses.

The information about the ECLs on the Company's long term deposits, trade receivables, short term deposits and cash and cash equivalents is disclosed in Notes 3 and 18.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Income Taxes

The Company is subject to income taxes in Kenya. Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on income taxes are disclosed in Notes 12 and 15.

Useful lives of property and equipment

The Company reviews the estimated useful lives and residual values of property and equipment at the end of each reporting period. In reviewing the useful lives of property and equipment, the Company considers the remaining period over which an asset is expected to be available for use. The rates used are set out in the accounting policy for property, plant and equipment, Note 1(f) and the carrying amount of property, plant and equipment is in Note 13.

Revenue recognition - Estimating stand-alone selling price - Qpoints loyalty program

The Company estimates the stand-alone selling price of the loyalty points awarded under the *Qpoints* program. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Company considers breakage which represents the portion of the points issued that will never be redeemed. The Company applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Company considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Company ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required). As points issued under the program do not expire, estimates of the stand-alone selling price are subject to significant uncertainty. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. The estimated liability for unredeemed points was as follows:-

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Provision for loyalty point liabilities	79,538	139,070	117,070	87,504	48,749	24,981

If the estimated redemption rate used had been higher by 1% than management's estimate, the carrying amount of the estimated liability for unredeemed points would have been higher by:-

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
1% change in redemption rates	795	1,391	1,171	875	487	250

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. FINANCIAL RISK MANAGEMENT

The Company carries out its activities in an extremely dynamic, and often highly volatile, commercial environment. Therefore, both opportunities and risks are encountered as part of everyday business for the Company. The Company's ability to recognise, successfully control and manage risks early in their development and to identify and exploit opportunities is key to its ability to successfully realise the corporate vision. The Company has exposure to the following risks from its use of financial instruments:

i) Market risk
ii) Credit risk
iii) Liquidity risk
iv) Capital management

Changing market conditions expose the Company to various financial risks and management have highlighted the importance of financial risk management as an element of control for the Company. The policy of the Company is to minimise the negative effect of such risks on cash flow, financial performance and equity. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

i) *Market risk*
Market risk is the risk that changes in market prices, such as changes in interest rates or foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns.

Interest rate risk
The Company's exposure to market risk due to changes in market interest rates relates primarily to the Company's long and short-term obligations and assets with variable interest rates. The assets and liabilities with exposure to interest rate risk were as follows: -

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Short term deposits	314,252	1,393,514	806,575	9,069	36,339	389,016
Borrowings	6,776	46,286	177,066	788,748	945,572	543,100

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

i) *Market risk*

Interest rate risk (Continued)

The table below summarizes the effect on pre-tax profits and equity had interest rates been 1 percentage point higher/ (lower), with all other variables held constant.

Increase/ (decrease)	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Pre-tax profit	3,075	13,472	6,295	7,797	9,092	1,541
Equity	2,152	9,430	4,407	5,458	6,364	1,079

The Company manages interest rate risk through ongoing monitoring of market conditions, maintaining an appropriate mix of fixed and variable rate borrowings, and evaluating opportunities to refinance facilities where appropriate. Management regularly reviews the impact of interest rate movements on the Company's financing costs and cash flows.

ii) *Credit risk*

Credit risk arises from cash at bank and short-term investments as well as trade and other receivables. The Company has policies in place to ensure that sales are made to customers with an appropriate credit history. The credit controllers assess the credit quality of each customer, taking into account its financial position, past experience and other factors. For banks and financial institutions, only reputable well-established financial institutions are accepted. The utilisation of credit limits is regularly monitored. The Company has three types of financial assets that are subject to the expected credit loss model; i.e. trade and other receivables, long-term deposits and cash and cash equivalents.

Trade Receivables

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and where the debtor has been declared insolvent. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Cash and cash equivalents

For cash at bank, management assesses the expected credit loss based on probability of default attached to the various banks by external rating agencies.

The gross carrying amount of financial assets with exposure to credit risk at the reporting date was as follows:

At 30 June 2026	Gross amounts KShs '000	Expected credit losses KShs '000	Maximum exposure to credit risk KShs '000
Long term deposits	231,106	(8,992)	222,114
Trade receivables	1,153,576	(45,952)	1,107,624
Short term deposits	325,221	(10,969)	314,252
Cash at bank	205,550	(36)	205,514
Gross carrying amount	1,915,453	(65,949)	1,849,504
At 31 December 2025			
Long term deposits	231,106	(8,992)	222,114
Trade receivables	1,453,989	(57,423)	1,396,566
Short term deposits	1,410,945	(17,431)	1,393,514
Cash at bank	603,081	(84)	602,997
Gross carrying amount	3,699,121	(83,930)	3,615,191

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii) Credit risk (continued)

At 31 December 2024	Gross amounts KShs '000	Expected credit losses KShs '000	Maximum exposure to credit risk KShs '000
Long term deposits	224,979	(8,752)	216,227
Trade receivables	1,386,806	(46,490)	1,340,316
Short term deposits	809,279	(2,704)	806,575
Cash at bank	898,546	(10,880)	887,666
Gross carrying amount	3,319,610	(68,826)	3,250,784
At 31 December 2023			
Long term deposits	224,979	(8,752)	216,227
Trade receivables	1,386,473	(55,228)	1,331,245
Short term deposits	9,069	-	9,069
Cash at bank	1,054,722	(11,049)	1,043,673
Gross carrying amount	2,675,243	(75,029)	2,600,214
At 31 December 2022			
Long term deposits	224,909	(6,189)	218,720
Trade receivables	1,247,893	(30,352)	1,217,541
Short term deposits	36,404	(65)	36,339
Cash at bank	451,576	(9,950)	441,626
Gross carrying amount	1,960,782	(46,556)	1,914,226
At 31 December 2021			
Long term deposits	193,848	(8,567)	185,281
Trade receivables	599,821	(15,989)	583,832
Short term deposits	389,476	(460)	389,016
Cash at bank	344,190	(9,114)	335,076
Gross carrying amount	1,527,335	(34,130)	1,493,205

Changes in expected credit losses
The movement in the loss allowance during the period was primarily driven by changes in the gross carrying amounts of trade receivables and long-term deposits subject to the ECL model. An increase in trade receivables and deposit balances during the period resulted in a corresponding increase in the exposure subject to expected credit loss assessment, while reductions in these balances led to a decrease in the related loss allowance.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the relevant financial assets is as follows:

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii) Credit risk (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the relevant financial assets is as follows:

	Cash & cash equivalents 12 months ECL KShs '000	Short-term deposits 12 months ECL KShs '000	Long-term deposits 12 months ECL KShs '000	Trade and other receivables lifetime expected credit loss KShs '000	Total KShs '000
30 June 2026					
Estimated total gross/EAD	205,550	325,221	231,106	1,153,576	1,915,453
Expected credit loss	36	10,969	8,992	45,952	65,949
Expected credit loss rate	0.02%	3.37%	3.89%	3.98%	3.44%
31 December 2025					
Estimated total gross/EAD	603,081	1,410,945	231,106	1,453,989	3,699,121
Expected credit loss	84	17,431	8,992	57,423	83,930
Expected credit loss rate	0.01%	1.24%	3.89%	3.95%	2.27%
31 December 2024					
Estimated total gross/EAD	898,546	809,279	224,979	1,386,806	3,319,610
Expected credit loss	10,880	2,704	8,752	46,490	68,826
Expected credit loss rate	1.21%	0.33%	3.89%	3.35%	2.07%
31 December 2023					
Estimated total gross/EAD	1,054,722	9,069	224,979	1,386,473	2,675,243
Expected credit loss	11,049	-	8,752	55,228	75,029
Expected credit loss rate	1.05%	0.00%	3.89%	3.98%	2.80%
31 December 2022					
Estimated total gross/EAD	451,576	36,404	224,909	1,247,893	1,960,782
Expected credit loss	9,950	65	6,189	30,352	46,556
Expected credit loss rate	2.20%	0.18%	2.75%	2.43%	2.37%
31 December 2021					
Estimated total gross/EAD	344,190	389,476	193,848	599,821	1,527,335
Expected credit loss	9,114	460	8,567	15,989	34,130
Expected credit loss rate	2.65%	0.12%	4.42%	2.67%	2.23%

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk

Liquidity risk concerns the ability of the Company to fulfil its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Changing market conditions expose the Company to various financial risks and management have highlighted the importance of financial risk management as an element of control for the Company. The policy of the Company is to minimise the negative effect of such risks on cash flow, financial performance and equity.

The Company maintains a portfolio of short-term liquid assets, largely made up of bank balances and short-term deposits to ensure that sufficient liquidity is maintained within the Company as a whole. The Company also arranges for short-term borrowings to ensure that the Company's financial obligations are met. The Company's non-derivative financial liabilities analysed into relevant maturities based on remaining period to end of the contractual maturity date is as below:

Amounts due within one year are presented at their carrying amounts. Amounts due after one year are presented on an undiscounted basis and include future interest payments, where applicable.

At 30 June 2026	Less than 1 year KShs '000	Over 1 year KShs '000	Total KShs '000
Trade and other payables	9,128,941	-	9,128,941
Borrowings	6,776	-	6,776
Lease liabilities	1,000,414	11,643,876	12,644,290
Bank guarantees	418,473	-	418,473
	10,554,604	11,643,876	22,198,480
At 31 December 2025			
Trade and other payables	11,013,803	-	11,013,803
Borrowings	46,286	-	46,286
Lease liabilities	811,103	10,526,371	11,337,474
Bank guarantees	467,180	-	467,180
	12,338,372	10,526,371	22,864,743
At 31 December 2024			
Trade and other payables	9,039,488	-	9,039,488
Borrowings	130,780	196,900	327,680
Lease liabilities	885,355	9,961,942	10,847,297
Bank guarantees	455,848	-	455,848
	10,511,471	10,158,842	20,670,313
At 31 December 2023			
Trade and other payables	8,517,788	-	8,517,788
Borrowings	611,682	876,025	1,487,707
Lease liabilities	655,848	10,458,110	11,113,958
Bank guarantees	298,011	-	298,011
	10,083,329	11,334,135	21,417,464

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Liquidity risk (Continued)

At 31 December 2022	Less than 1 year KShs '000	Over 1 year KShs '000	Total KShs '000
Trade and other payables	7,537,492	-	7,537,492
Borrowings	356,824	1,088,328	1,445,152
Lease liabilities	618,377	10,146,514	10,764,891
Bank guarantees	249,761	-	249,761
	8,762,454	11,234,842	19,997,296
At 31 December 2021			
Trade and other payables	5,594,262	-	5,594,262
Borrowings	397,528	468,432	865,960
Lease liabilities	243,734	8,663,671	8,907,405
Bank guarantees	180,120	-	180,120
	6,415,644	9,132,103	15,547,747

4. REVENUE	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Sales	27,266,942	50,427,637	46,707,717	41,215,775	34,781,302	25,680,587
Revenue recognition: *At a point in time*	27,266,942	50,427,637	46,707,717	41,215,775	34,781,302	25,680,587
5. COST OF SALES						
Cost of sales	21,120,797	39,349,358	36,432,225	32,577,573	27,385,087	20,274,410
6. OTHER INCOME						
* Fees - gondolas	94,500	200,224	170,000	145,795	90,472	107,743
Rental income	36,444	63,680	54,512	50,874	32,453	28,372
Gain on termination of lease (Note 19)	-	17,489	-			685
Branding	2,744	8,936	4,843	11,522	7,400	11,891
Finance income	24,000	21,138	22,142	1,057	10,094	13,034
Gain on disposal of property and equipment	628	3,683	6,839	-	2,703	-
**Commissions from agency banking	9,604	24,849	25,851	24,183	37,887	29,028
	167,920	339,999	284,187	233,431	181,009	190,753

* Gondola income relates to fees earned from suppliers for the use of premium merchandising and display space within the Company's retail stores.

** Agency banking income relates to commissions earned from the provision of agency banking and mobile money services through the Company's retail outlets.

7. EMPLOYEE BENEFITS	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Salaries and wages	1,613,115	2,841,448	2,676,983	2,398,603	2,167,196	1,590,666
National Social Security Fund (NSSF)	29,748	49,571	31,245	13,790	2,251	1,601
Staff welfare	115,369	264,513	228,169	207,168	161,642	100,691
	1,758,232	3,155,532	2,936,397	2,619,561	2,331,089	1,692,958

	30 June 2026 (6 months) No. of staff	31 December 2025 No. of staff	31 December 2024 No. of staff	31 December 2023 No. of staff	31 December 2022 No. of staff	31 December 2021 No. of staff
The average number of persons employed during the year, by category, were:						
Permanent	1,906	1,881	1,351	1,230	1,036	773
Outsourced	6,068	5,638	5,962	4,431	4,273	3,706
Total	7,974	7,519	7,313	5,661	5,309	4,479

8. ADMINISTRATION AND GENERAL EXPENSES	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Electricity and water	355,817	642,204	682,794	629,489	428,490	339,136
Cleaning	126,430	227,649	216,624	192,893	188,180	158,546
Professional fees	107,856	166,307	246,478	170,034	181,220	163,605
Security	125,432	220,683	204,614	167,147	177,892	144,423
Management fees	126,925	208,424	141,400	155,954	136,484	85,195
Advertising and sales promotion	139,278	210,657	109,542	92,602	129,610	125,158
Repairs and maintenance	100,197	165,669	169,260	135,556	100,511	95,962
Non-deductible input VAT	50,002	99,985	99,666	98,666	86,767	39,423
Office expenses	105,535	209,476	190,748	162,778	85,337	54,655
Loyalty points expenses	73,568	273,072	195,787	150,108	82,249	38,239
Computer software expenses	36,216	61,098	106,843	104,849	80,685	69,120
Insurance	40,546	82,812	70,429	68,101	59,306	45,623
Licenses and permit	52,235	89,316	80,020	60,183	56,302	45,688
Directors' fees	58,320	82,926	72,411	58,435	55,798	52,661
Expenses on leases of low-value assets and short-term leases	33,661	53,928	64,488	41,582	52,692	12,364
Travelling and entertainment	42,855	63,269	53,159	43,940	47,690	33,470
Vehicle running and maintenance	32,845	62,476	64,040	60,623	47,016	33,780
Bank charges and card commissions	21,499	40,295	37,491	33,028	29,199	28,477
Bakery kerosene and gas	31,910	54,906	58,443	51,244	28,771	16,773
Legal fees	8,246	20,885	12,672	20,832	25,635	49,478
Tax penalties and interest	134	1,036	43,691	-	24	1,269
Internet	16,736	29,864	24,824	20,483	24,850	18,061
Generator fuel	29,553	34,526	40,558	37,110	24,059	16,526
Consultancy fees	-	38,610	-	-	-	
Printing and stationery	11,685	23,662	24,488	21,110	20,243	12,769
Auditor's remuneration	11,700	5,750	5,500	5,150	4,800	4,200
Catering levy	-	-	2,601	3,344	2,945	1,753
Foreign exchange loss/(gains)	-	-	(2,198)	2,023	679	
Subscriptions	435	2,216	855	660	371	1,080
Cash losses	14,919	-	-	-	-	-
Postage and telephone	566	348	408	263	151	379
	1,755,101	3,172,049	3,017,636	2,588,187	2,157,956	1,687,813

9. ALLOWANCE FOR EXPECTED CREDIT LOSSES	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Bank balances (Note 21)	(48)	(10,796)	(169)	1,099	836	1,895
Short term deposits (Note 20)	(6,462)	14,727	2,704	(65)	(395)	(1,418)
Long term deposits (Note 16)	-	240	-	2,563	(2,378)	8,567
Trade receivables (Note 18)	(11,471)	10,933	(8,738)	24,876	14,363	(9,341)
	(17,981)	15,104	(6,203)	28,473	12,426	(297)

10. FINANCE CHARGES						
Interest expense on lease liabilities (Note 19)	554,623	1,008,131	995,480	997,803	909,026	580,193
Interest expense on bank borrowings	5,861	17,909	92,972	138,137	146,356	94,533
Transaction processing fees*	138,298	257,976	233,456	197,161	172,752	134,741
Finance charges on loans from shareholders (Note 26(iv))	-	-	-	-	10,914	18,736
	698,782	1,284,016	1,321,908	1,333,101	1,239,048	828,203

*Transaction processing fees relate to commissions and charges incurred on electronic payment transactions, including credit card processing fees and M-Pesa transaction commissions.

11. PROFIT BEFORE TAX						
The following items have been charged/ (credited) in arriving at operating profit:						
Cost of sales (Note 5)	21,120,797	39,349,358	36,432,225	32,577,573	27,385,087	20,274,410
Employee benefit expense (Note 7)	1,758,232	3,155,532	2,936,397	2,619,561	2,331,089	1,692,958
Depreciation - property and equipment (Note 13)	354,848	696,767	739,760	773,055	660,951	540,409
- right-of-use assets (Note 19)	497,954	897,467	872,602	845,256	745,535	554,601
Amortisation of intangible assets (Note 14)	17,343	30,575	33,408	38,003	28,162	24,128
Directors' fees (Note 8)	58,320	82,926	72,411	58,435	55,798	52,661
Management fees (Note 8)	126,925	208,424	141,400	155,954	136,484	85,195
Allowance for expected credit losses (Note 9)	(17,981)	15,104	(6,203)	28,473	12,426	(297)
Auditor's remuneration (Note 8)	11,700	5,750	5,500	5,150	4,800	4,200

12. INCOME TAX						
a) Income tax charge						
Income tax expense for the year	374,986	702,121	598,869	354,070	265,833	179,317
Deferred tax charge/(credit) (Note 15)	2,007	(43,927)	(89,505)	(157,684)	(138,734)	(92,839)
Income tax expense	376,993	658,194	509,364	196,386	127,099	86,478
b) Reconciliation of the income tax expense to expected tax based on the accounting profit						
Accounting profit before tax	1,249,786	2,166,768	1,644,171	645,997	402,057	269,115
Income tax at the applicable tax rate of 30%	374,936	650,030	493,251	193,799	120,617	80,735
Tax effect of:						
- expenses not deductible for tax purposes	2,057	8,164	16,113	2,587	6,482	5,743
Income tax expense	376,993	658,194	509,364	196,386	127,099	86,478
c) Income tax payable						
At 1 January	83,603	203,260	96,752	124,451	115,209	39,775
Charge for the year	374,986	702,121	598,869	354,070	265,833	179,317
Income tax paid	(277,320)	(821,778)	(492,361)	(381,769)	(256,591)	(103,883)
At 31 December	181,269	83,603	203,260	96,752	124,451	115,209

13. PROPERTY AND EQUIPMENT

	Motor vehicle KShs '000	Partition and fixtures KShs '000	Furniture and fittings KShs '000	Bakery, fridges and commercial kitchen KShs '000	Heavy machinery KShs '000	Computers KShs '000	Work in progress KShs '000	Total KShs '000
Period ending 30 June 2026:								
COST								
At 1 January 2026	141,245	5,137,132	837,003	2,097,689	232,334	659,080	332,874	9,437,357
Additions	2,700	198,538	93,289	137,547	24,109	49,222	246,223	751,628
Disposals	(1,200)	-	-	-	-	-	-	(1,200)
Transfers from work in progress	-	227,557	10,694	74,335	5,831	14,457	(332,874)	-
At 30 June 2026	142,745	5,563,227	940,986	2,309,571	262,274	722,759	246,223	10,187,785
DEPRECIATION								
At 1 January 2026	92,028	2,315,647	315,773	901,702	92,511	459,553	-	4,177,214
Charge for the year	6,321	188,217	35,663	80,390	9,605	34,652	-	354,848
Disposals	(1,040)	-	-	-	-	-	-	(1,040)
At 30 June 2026	97,309	2,503,864	351,436	982,092	102,116	494,205	-	4,531,022
CARRYING AMOUNT								
At 30 June 2026	45,436	3,059,363	589,550	1,327,479	160,158	228,554	246,223	5,656,763
COST								
At 1 January 2025	128,212	4,789,103	718,442	1,952,989	212,619	598,516	-	8,399,881
Additions	18,103	386,213	119,941	146,692	22,570	63,265	332,874	1,089,658
Disposals	(5,070)	(38,184)	(1,380)	(1,992)	(2,855)	(2,701)	-	(52,182)
At 31 December 2025	141,245	5,137,132	837,003	2,097,689	232,334	659,080	332,874	9,437,357
DEPRECIATION								
At 1 January 2025	82,190	1,966,301	252,306	743,288	75,877	391,004	-	3,510,966
Charge for the year	14,747	369,851	63,777	159,580	18,147	70,665	-	696,767
Disposals	(4,909)	(20,505)	(310)	(1,166)	(1,513)	(2,116)	-	(30,519)
At 31 December 2025	92,028	2,315,647	315,773	901,702	92,511	459,553	-	4,177,214
CARRYING AMOUNT								
At 31 December 2025	49,217	2,821,485	521,230	1,195,987	139,823	199,527	332,874	5,260,143

13. PROPERTY AND EQUIPMENT (CONTINUED)

	Motor vehicle KShs '000	Partition and fixtures KShs '000	Furniture and fittings KShs '000	Bakery, fridges and commercial kitchen KShs '000	Heavy machinery KShs '000	Computers KShs '000	Work in progress KShs '000	Total KShs '000
Year ended 31 December 2024:								
COST								
At 1 January 2024	138,161	4,661,580	665,329	1,864,696	191,737	559,770	-	8,081,273
Additions	-	146,943	53,113	121,336	25,373	46,691	-	393,456
Disposals	(9,949)	(19,420)	-	(33,043)	(4,491)	(7,945)	-	(74,848)
At 31 December 2024	128,212	4,789,103	718,442	1,952,989	212,619	598,516	-	8,399,881
DEPRECIATION								
At 1 January 2024	73,633	1,578,240	188,664	590,557	60,846	317,055	-	2,808,995
Charge for the year	15,686	396,245	63,642	166,592	17,795	79,800	-	739,760
Disposals	(7,129)	(8,184)	-	(13,861)	(2,764)	(5,851)	-	(37,789)
At 31 December 2024	82,190	1,966,301	252,306	743,288	75,877	391,004	-	3,510,966
CARRYING AMOUNT								
At 31 December 2024	46,022	2,822,802	466,136	1,209,701	136,742	207,512	-	4,888,915
Year ended 31 December 2023								
COST								
At 1 January 2023	114,052	4,290,469	526,689	1,638,037	164,542	481,991	-	7,215,780
Additions	24,109	371,111	138,640	226,659	27,195	77,779	-	865,493
At 31 December 2023	138,161	4,661,580	665,329	1,864,696	191,737	559,770	-	8,081,273
DEPRECIATION								
At 1 January 2023	57,499	1,158,624	128,540	421,420	43,719	226,138	-	2,035,940
Charge for the year	16,134	419,616	60,124	169,137	17,127	90,917	-	773,055
At 31 December 2023	73,633	1,578,240	188,664	590,557	60,846	317,055	-	2,808,995
CARRYING AMOUNT								
At 31 December 2023	64,528	3,083,340	476,665	1,274,139	130,891	242,715	-	5,272,278

13. PROPERTY AND EQUIPMENT (CONTINUED)

	Motor vehicle KShs '000	Partition and fixtures KShs '000	Furniture and fittings KShs '000	Bakery, fridges and commercial kitchen KShs '000	Heavy machinery KShs '000	Computers KShs '000	Work in progress** KShs '000	Total KShs '000
COST								
At 1 January 2022	98,615	3,290,141	247,971	1,253,075	124,125	382,361	20,272	5,416,560
Additions	27,340	990,296	278,718	384,962	36,420	94,710	-	1,812,446
Disposal	(11,903)	-	-	-	-	-	-	(11,903)
Transfer from work in progress to Intangible assets (Note 14)	-	-	-	-	-	-	(1,323)	(1,323)
Transfers from work in progress	-	10,032	-	-	3,997	4,920	(18,949)	-
At 31 December 2022	114,052	4,290,469	526,689	1,638,037	164,542	481,991	-	7,215,780
DEPRECIATION								
At 1 January 2022	53,199	801,881	88,085	273,727	29,112	139,455	-	1,385,459
Disposal	(10,470)	-	-	-				(10,470)
Charge for the year	14,770	356,743	40,455	147,693	14,607	86,683	-	660,951
At 31 December 2022	57,499	1,158,624	128,540	421,420	43,719	226,138	-	2,035,940
CARRYING AMOUNT								
At 31 December 2022	56,553	3,131,845	398,149	1,216,617	120,823	255,853	-	5,179,840
COST								
At 1 January 2021	79,913	2,589,438	206,737	928,586	83,974	282,706	36,509	4,207,863
Additions	18,702	664,194	41,234	324,489	40,151	99,655	20,272	1,208,697
Transfer from work in progress	-	36,509	-	-	-	-	(36,509)	-
At 31 December 2021	98,615	3,290,141	247,971	1,253,075	124,125	382,361	20,272	5,416,560
DEPRECIATION								
At 1 January 2021	39,558	499,939	68,668	159,160	18,734	58,991	-	845,050
Charge for the year	13,641	301,942	19,417	114,567	10,378	80,464	-	540,409
At 31 December 2021	53,199	801,881	88,085	273,727	29,112	139,455	-	1,385,459
CARRYING AMOUNT								
At 31 December 2021	45,416	2,488,260	159,886	979,348	95,013	242,906	20,272	4,031,101

14. INTANGIBLE ASSETS

	2026 KShs'000	2025 KShs'000	2024 KShs'000	2023 KShs'000	2022 KShs'000	2021 KShs'000
COST						
At 1 January	280,087	235,377	220,011	171,350	124,298	96,502
Transfer from work-in-progress (Note 13)	-	-	-	-	1,323	
Additions	12,024	44,710	15,366	48,661	45,729	27,796
At 31 December	292,111	280,087	235,377	220,011	171,350	124,298
AMORTISATION						
At 1 January	180,362	149,787	116,379	78,376	50,214	26,086
Amortisation charge for the year	17,343	30,575	33,408	38,003	28,162	24,128
At 31 December	197,705	180,362	149,787	116,379	78,376	50,214
CARRYING AMOUNT						
At 31 December	94,406	99,725	85,590	103,632	92,974	74,084

15. DEFERRED TAX ASSET

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30%.. The movement on the deferred tax account is as follows:

	2026 KShs'000	2025 KShs'000	2024 KShs'000	2023 KShs'000	2022 KShs'000	2021 KShs'000
At 1 January	552,407	508,480	418,975	261,291	122,557	29,718
(Charge)/credit to statement of profit or loss (Note 12 (a))	(2,007)	43,927	89,505	157,684	138,734	92,839
At period end	550,400	552,407	508,480	418,975	261,291	122,557

Deferred tax assets in the statement of financial position and deferred tax (charge)/ credit to statement of profit or loss are attributable to the following items:

2026	At 1 January KShs'000	Recognized in profit/loss KShs'000	At 30 June KShs'000
Accelerated depreciation for tax purposes	(163,631)	(6,072)	(169,703)
Leases	645,770	24,041	669,811
Provision on loyalty points	41,721	(17,860)	23,861
Allowance for expected credit allowance	25,178	(5,395)	19,783
Provision for annual leave days	3,369	3,279	6,648
Net deferred tax asset	552,407	(2,007)	550,400

2025	At 1 January KShs'000	Recognized in profit/loss KShs'000	At 31 December KShs'000
Accelerated depreciation for tax purposes	(113,357)	(50,274)	(163,631)
Leases	563,624	82,146	645,770
Provision on loyalty points	35,121	6,600	41,721
Allowance for expected credit allowance	20,647	4,531	25,178
Provision for annual leave days	2,445	924	3,369
Net deferred tax asset	508,480	43,927	552,407

15. DEFERRED TAX ASSET (CONTINUED)

2024	At 1 January KShs'000	Recognized in profit/loss KShs'000	At 31 December KShs'000
Accelerated depreciation for tax purposes	(93,456)	(19,901)	(113,357)
Leases	457,804	105,820	563,624
Provision on loyalty points	26,251	8,870	35,121
Allowance for expected credit allowance	22,509	(1,862)	20,647
Provision for annual leave days	5,867	(3,422)	2,445
Net deferred tax asset	418,975	89,505	508,480

2023	At 1 January KShs'000	Recognized in profit/loss KShs'000	At 31 December KShs'000
Accelerated tax depreciation	(99,274)	5,818	(93,456)
Right-of-use assets and lease liabilities	327,368	130,436	457,804
Provision on loyalty points	14,624	11,627	26,251
Allowance for expected credit allowance	13,967	8,542	22,509
2022 unrealised forex loss	204	(204)	-
Provision for leave accrual	4,402	1,465	5,867
Net deferred tax asset	261,291	157,684	418,975

2022	At 1 January KShs'000	Recognized in profit/loss KShs'000	At 31 December KShs'000
Accelerated tax depreciation	(92,427)	(6,847)	(99,274)
Right-of-use assets and lease liabilities	189,715	137,653	327,368
Provision on loyalty points	7,494	7,130	14,624
Allowance for expected credit allowance	10,239	3,728	13,967
2022 unrealised forex loss	-	204	204
Provision for leave accrual	3,148	1,254	4,402
Provision for tax penalties and interest	4,388	(4,388)	-
Net deferred tax asset	122,557	138,734	261,291

2021	At 1 January KShs'000	Recognised in profit/loss KShs'000	At 31 December KShs'000
Accelerated tax depreciation	(108,930)	16,503	(92,427)
Right-of-use assets and lease liabilities	96,592	93,123	189,715
Provision on loyalty points	4,777	2,717	7,494
Allowance for expected credit allowance	10,328	(89)	10,239
Provision for leave accrual	1,622	1,526	3,148
Provision for tax penalties and interest	25,329	(20,941)	4,388
Net deferred tax asset	29,718	92,839	122,557

16. LONG TERM DEPOSIT	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Rental deposits	231,106	231,106	224,979	224,979	224,909	193,848
Less: Allowance for expected credit losses	(8,992)	(8,992)	(8,752)	(8,752)	(6,189)	(8,567)
	222,114	222,114	216,227	216,227	218,720	185,281
At 1 January	8,992	8,752	8,752	6,189	8,567	-
Increase/(decrease) (Note 9)	-	240	-	2,563	(2,378)	8,567
At 31 December	8,992	8,992	8,752	8,752	6,189	8,567

17. INVENTORIES						
Stock in trade	3,815,047	4,430,959	3,554,903	3,418,462	3,540,275	2,366,886

18. TRADE AND OTHER RECEIVABLES	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Trade receivables	1,153,576	1,453,989	1,386,806	1,386,473	1,247,893	599,821
Less: Allowance for expected credit losses	(45,952)	(57,423)	(46,490)	(55,228)	(30,352)	(15,989)
Net trade receivables	1,107,624	1,396,566	1,340,316	1,331,245	1,217,541	583,832
Deposits	316,255	329,448	223,984	233,329	217,608	117,601
Prepaid expenses	134,255	69,145	47,804	41,265	35,391	26,071
Amounts due from the related company (26(vii))	36,081	-	-	-	-	-
Net trade and other receivables	1,594,215	1,795,159	1,612,104	1,605,839	1,470,540	727,504
Financial assets	1,459,960	1,783,437	1,610,790	1,619,802	1,465,501	717,422
Non-financial assets	134,255	69,145	47,804	41,265	35,391	26,071
Total	1,594,215	1,852,582	1,658,594	1,661,067	1,500,892	743,493

In the opinion of the directors, the carrying amounts of trade and other receivables are approximate to their fair value.

The closing allowance for expected credit losses allowance for trade and other receivables reconcile to opening allowance for expected credit losses as set out below:

	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
At 1 January	57,423	46,490	55,228	30,352	15,989	25,330
(Decrease)/ increase in loss allowance recognized through statement of profit or loss (Note 9)	(11,471)	10,933	(8,738)	24,876	14,363	(9,341)
At 31 December	45,952	57,423	46,490	55,228	30,352	15,989

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Lease liabilities:						
At start of period/year	7,321,159	7,198,337	7,491,087	7,094,432	5,327,211	3,744,062
Additions	1,073,971	873,684	227,119	807,123	2,053,913	1,831,862
Payment of principal	(417,818)	(606,159)	(519,869)	(410,468)	(286,692)	(247,280)
Payment of interest	(554,623)	(1,008,131)	(995,480)	(997,803)	(909,026)	(580,193)
Lease modifications	(4,416)	(95,568)	-	-	-	-
Reversal on lease cancellation	-	(49,135)	-	-	-	(5,206)
Rent concessions	-	-	-	-	-	3,773
Accretion of interest (Note 10)	554,623	1,008,131	995,480	997,803	909,026	580,193
At end of period/year	7,972,896	7,321,159	7,198,337	7,491,087	7,094,432	5,327,211
Current portion	1,000,414	811,103	885,355	655,848	618,377	243,734
Non-current portion	6,972,482	6,510,056	6,312,982	6,835,239	6,476,055	5,083,477
	7,972,896	7,321,159	7,198,337	7,491,087	7,094,432	5,327,211

The amount recognised in the statement of the cashflows in respect of lease liability payments is:

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Repayments during the year	972,441	1,614,290	1,515,349	1,408,271	1,195,718	827,473

The total expense recognised in the statement of profit or loss and comprehensive income associated with leases is as follows:

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Expenses on leases of low-value assets and short-term leases (Note 8)	33,661	53,928	64,488	41,582	52,692	12,364
Amortisation of right-of-use assets	497,954	897,467	872,602	845,256	745,535	554,601
Interest accretion	554,623	1,008,131	995,480	997,803	909,026	580,193
	1,086,238	1,959,526	1,932,570	1,884,641	1,707,253	1,147,158

	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Right-of-use of assets:						
Cost:						
At start of period/year	9,502,339	8,755,869	8,528,750	7,721,627	5,667,714	3,840,374
Additions	1,073,971	873,684	227,119	807,123	2,053,913	1,831,862
Reversal on lease cancellation	-	(49,135)	-	-	-	(4,522)
Gain on lease termination	-	17,489	-	-	-	-
Lease modifications	(4,416)	(95,568)	-	-	-	-
At end of period/year	10,571,894	9,502,339	8,755,869	8,528,750	7,721,627	5,667,714
Accumulated depreciation:						
At start of year/period	4,333,745	3,436,278	2,563,676	1,718,420	972,885	418,284
Charge for the year	497,954	897,467	872,602	845,256	745,535	554,601
At end of period/year	4,831,699	4,333,745	3,436,278	2,563,676	1,718,420	972,885
Carrying amount:						
At end of period/year	5,740,195	5,168,594	5,319,591	5,965,074	6,003,207	4,694,829

20. SHORT TERM DEPOSITS	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Short term deposits with commercial banks	325,221	1,410,945	809,279	9,069	36,404	389,476
Less: Allowance for expected credit losses	(10,969)	(17,431)	(2,704)	-	(65)	(460)
	314,252	1,393,514	806,575	9,069	36,339	389,016
Movement in allowance for expected credit losses:						
At 1 January	17,431	2,704	-	65	460	1,878
(Decrease)/ increase (Note 9)	(6,462)	14,727	2,704	(65)	(395)	(1,418)
At 31 December	10,969	17,431	2,704	-	65	460

21. CASH AND CASH EQUIVALENTS						
Cash at bank	205,550	603,081	898,546	1,054,722	451,576	344,190
Less: Allowance for expected credit losses	(36)	(84)	(10,880)	(11,049)	(9,950)	(9,114)
Net cash at bank	205,514	602,997	887,666	1,043,673	441,626	335,076
Cash in hand	180,402	199,453	181,741	284,218	156,209	204,727
Net cash and cash equivalents	385,916	802,450	1,069,407	1,327,891	597,835	539,803
Movement in allowance for expected credit losses:						
At 1 January	84	10,880	11,049	9,950	9,114	7,219
(Decrease)/ increase (Note 9)	(48)	(10,796)	(169)	1,099	836	1,895
At 31 December	36	84	10,880	11,049	9,950	9,114

22(a) CAPITAL AND REVENUE RESERVES						
Authorised: 10,000 ordinary shares of KShs 100 each	1,000	1,000	1,000	1,000	1,000	1,000
Issued and fully paid: 1,300 ordinary shares of KShs 100 each	130	130	130	130	130	130
	130	130	130	130	130	130
Share premium	799,970	799,970	799,970	799,970	799,970	799,970

The share premium represents the excess of the price paid for the additional shares over the par value. The share premium is not distributable.

22(b). EARNINGS PER ORDINARY SHARE	2026	2025	2024	2023	2022	2021
Profit for the year attributable to ordinary shareholders	872,793,000	1,508,574,000	1,134,807,000	449,611,000	274,958,000	182,637,000
Basic and diluted - Weighted average number of shares	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Basic and diluted earnings per ordinary shares	0.21820	0.37714	0.28370	0.11240	0.06874	0.04566

Basic and diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders by the weighted average number of ordinary shares in issue during the year.
There were no dilutive potential shares as at 30 June 2026.

23. PROPOSED DIVIDEND

Dividend on ordinary shares is recognised as a liability in the year in which they are declared. Proposed dividend is not recognised until it has been declared at an Annual General Meeting (AGM).

	2026 KShs '000	2025 KShs'000	2024 KShs'000	2023 KShs'000	2022 KShs'000	2021 KShs'000
Cash dividends on ordinary shares declared and paid						
Final dividend	-	-	-	600,000	-	-
Interim dividend	-	1,647,055	1,176,465	182,353	105,882	-
Total	-	1,647,055	1,176,465	782,353	105,882	-
Proposed for approval at the annual general meeting (not recognised as a liability at 31 December)						
Final dividend	-	-	-	-	-	182,353
Interim dividend	-	-	-	-	-	105,882
Total	-	-	-	-	-	288,235

(i) The directors recommended a final dividend of KShs 182.3 million in 2021 and KShs 600 million in 2023. No final dividend was recommended 2022, 2024 and 2025. The 2021 final dividend was settled in 2023.

(ii) The directors recommended an interim dividend in 2021, 2024 and 2025 amounting to KShs 105.9 million, KShs 1.176 billion and KShs 1.647 billion, respectively. The 2021 interim dividend was settled in 2022.

24. BORROWINGS

a) Shareholder's loan

	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
At 1 January	-	-	-	-	135,000	530,000
Additions	-	-	-	-	-	225,000
Repayments	-	-	-	-	(135,000)	(620,000)
At 31 December	-	-	-	-	-	135,000

b) Bank borrowings

At 1 January	46,286	177,066	788,748	945,572	408,100	-
Additions	-	-	-	200,000	800,000	500,000
Repayments	(39,510)	(130,780)	(611,682)	(356,824)	(262,528)	(91,900)
At 31 December	6,776	46,286	177,066	788,748	945,572	408,100
Total borrowings	6,776	46,286	177,066	788,748	945,572	543,100
Current portion*	6,776	46,286	130,780	611,682	356,824	397,528
Non-current portion*	-	-	46,286	177,066	588,748	145,572
	6,776	46,286	177,066	788,748	945,572	543,100

*The split of borrowings between current and non-current liabilities in the Accountants' Report differs from the audited financial statements due to IFRS presentation requirements relating to the classification of liabilities. The difference is a presentation reclassification only and does not affect the total borrowings reported

24. BORROWINGS (CONTINUED)

b) Bank borrowings (Continued)

The shareholder's loan relates to an unsecured loan facility from the parent company, Sokoni Retail Limited. The loan is meant to fund investment in new stores. This loan attracts interest at a rate of 14.25% and is repayable after the term of 5 years.

Bank borrowing relates to a loan facility with Family Bank Limited amounting to KShs 1.85 billion. The loan is meant for capital expenditure. Each drawdown is repayable as a separate term loan over a period of 36 months from the respective drawdown date. The first drawdown of KShs 500 million was made in January 2021 and matured in January 2024, while the final drawdown of KShs 200 million was made in August 2023 and is scheduled to mature in August 2026. This loan attracts interest at a rate of 13%. p.a. and is repayable monthly within the term of 36 months; and KShs 350 million meant for working capital financing. The working capital financing loan is a short-term loan payable within 90 days and attracts interest rate of 13%p.a. The facility has the following securities:

i) All asset debentures over company assets for KShs 1.85 billion;
ii) Resolution to borrow from Sokoni Retail Kenya Limited;
iii) Letter of comfort by Sokoni Retail Kenya Limited; and
iv) Quick Mart Limited directors' resolution to borrow.

25. TRADE AND OTHER PAYABLES

	2026 KShs '000	2025 KShs '000	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000
Trade payables	8,974,115	10,890,644	8,932,292	8,303,332	7,339,062	5,525,485
Accrued expenses	138,605	123,159	98,921	185,330	170,733	52,377
Other payables	150,908	48,505	75,324	61,574	39,733	53,744
Withholding VAT payable	24,326	16,778	56,905	57,994	41,850	72,888
Provision for loyalty point liabilities	79,538	139,070	117,070	87,504	48,749	24,981
Amounts due to the related company (26(viii))	16,221	-	8,275	29,126	27,697	16,400
	9,383,713	11,218,156	9,288,787	8,724,860	7,667,824	5,745,875
Financial liabilities	9,128,941	11,013,803	9,039,488	8,517,788	7,537,492	5,594,262
Non-financial liabilities	254,772	204,353-	249,299	207,072	130,332	151,613
	9,383,713	11,218,156	9,288,787	8,724,860	7,667,824	5,745,875

26. RELATED PARTY DISCLOSURES

The parent company is Sokoni Retail Kenya Limited which owns 100% shareholding in Quick Mart Limited. Sokoni Retail Kenya Limited is 50.8% owned by Sokoni Retail Holdings Limited a Company incorporated in Mauritius.
There are other companies which are related to Quick Mart Limited through common shareholding.
Related party transactions and balances were as follows:

i) Management fees	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Sokoni Holdings Limited	62,744	40,628	-	-	-	-
Sokoni Retail Kenya Limited	62,181	167,796	141,400	155,954	136,484	85,195
	124,925	208,424	141,400	155,954	136,484	85,195
ii) Consultancy fees						
Oltotoi Ranch Limited	-	38,610	-	-	-	-

Oltotoi Ranch Limited is related to the Company through shared directorship. The company was engaged to offer consultancy support aimed at improving the Company's butcheries to enhance revenues and margins by conducting staff training and merchandising across the Company.

26. RELATED PARTY DISCLOSURES (CONTINUED)

iii) Key management compensation	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Short-term employee benefits	69,375	108,166	85,761	82,499	88,541	70,031
Directors' fees	58,320	82,926	72,411	58,435	55,798	52,661
	127,695	191,092	158,172	140,934	144,339	122,692
iv)Interest on advances from shareholders	-	-	-	-	10,914	18,736
v) Repayment of lease liabilities						
Basic Capital Investment Limited	72,027	131,590	105,848	100,541	91,233	83,784
Basic Land Investment Limited	99,449	268,795	130,146	69,338	-	-
Resource Business Investments Limited	84,914	161,058	155,857	144,258	135,882	111,332
	256,390	561,443	391,851	314,137	227,115	195,116

The Company leases certain commercial premises from entities under the common control of the Company's directors. Lease payments made under these arrangements during the year are disclosed above.

vi) Shareholders' advance

	30 June 2026 KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Shareholders' advance	1,100,000	-	-	-	-	-

Amount relates to funds advanced to shareholders during the period. As at 30 June 2026, the amounts had not been formally declared or approved as dividends and have therefore been presented as amounts due from related parties.

vii) The amounts due from related parties were as follows:

	30 June 2026 KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Sokoni Retail Kenya Limited (Note 18)	36,081	-	-	-	-	-

The amounts due from Sokoni Retail Kenya Limited relates to an advance payment of management fees.

viii) The amounts due to related parties were as follows:

	30 June 2026 KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Shareholders' loan	-	-	-	-	-	135,000
Sokoni Holdings Limited	16,221	-	-	-	-	-
Sokoni Retail Kenya Limited	-	-	8,275	29,126	27,697	16,400

Loan from shareholder relates to unsecured borrowings extended by the shareholder, Sokoni Retail Kenya Limited, for the purpose of financing business growth and expansion. The loan has no definite terms and attracts annual interest at the rate of 14.25%.

The amounts due to Sokoni Retail Kenya Limited and Sokoni Holdings Limited relate to management fees.

27. FINANCIAL GUARANTEES

	30 June 2026 KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Financial Guarantees	418,473	467,180	455,848	298,011	249,761	180,120

The guarantees are granted to select suppliers who demand such to secure credit limits or in lieu of deposits for leased properties. All the guarantees are held with local banks.

28. CAPITAL MANAGEMENT

The Company's objective in managing its capital is to ensure that it supports the development of its business and is able to continue as a going concern, while at the same time maximising the return to its shareholders. The Company is not subject to any external capital requirements. The Company manages its capital by evaluating the working capital requirements and investment in non-current assets.

The capital structure of the Company consists of debt, which includes borrowings disclosed in Note 24, trade and other payables disclosed in Note 25, less cash and cash equivalents and equity attributable to equity holders, comprising issued capital as disclosed in Note 22 and retained earnings.

29. GOING CONCERN

For the period ended 30 June 2026, the Company recorded a profit before tax of KShs 1.2 billion and generated positive cash flows from operations of KShs 0.3 billion. However, the Company had a net current liability position of KShs 3.3 billion as of 30 June 2026 (31 December 2025: KShs 3.7 billion). The directors consider that this an industry phenomenon and note that it is imperative for the business to continue generating sufficient cashflows from operations to meet its obligations to its creditors when these obligations are due for payment. The Company's ability to repay trade creditors is also critical in ensuring continued availability of supplies and services from the creditors, which is necessary for continued operations of the Company.

Whilst the Company remains in a net current liability position in line with the global retail industry practice, the directors have put in place the following measures to drive its financial and liquidity position:

- Focus on growing its margins through range building and category management.
- Efficient management of inventories to ensure efficient holding and optimal rotation.
- Continuous negotiation with suppliers for favorable credit terms.
- Turnover optimization through sustainable marketing initiatives such as promotions and enhancement of loyalty customers management.
- Maintenance of the current disciplined cost management strategy.
- Continue sourcing funds at competitive interest rates and favorable payment terms.

Given the nature of the business and in line with the industry best practices, the Company's strategy is to prudently increase its negative working capital to improve its cash flows by increasing its inventory rotation (maintaining an average of 30 days for inventory), minimize growth in trade receivables and negotiation of better terms from our suppliers (average 60 payables' days). Trade credit is therefore an important source of financing for the business and hence the healthy negative working capital that was maintained. To augment trade credit, the company has maintained its facility with Family Bank Limited with an overall limit of KShs 1.85 billion in 2026. However, due to its strong operating cash flows, the Company had no outstanding liability from this facility as at 31 July 2026 and continues to be prudent in the application of debt to fund its development.In line with standard governance practice, the directors have made the above assessment of the Company's liquidity position and are satisfied with the Company's ability to continue as a going concern for the foreseeable future and thus, the financial statements are prepared on the basis of accounting policies applicable to going concern.

30. EVENTS AFTER REPORTING THE REPORTING PERIOD

Subsequent to the reporting date the following events have occurred;

1. from the share premium account. As a result, the Company allotted 498,700 additional ordinary shares of KShs 100 each, increasing the number of issued and fully paid ordinary shares from 1,300 shares to 500,000 shares, and the issued share capital from KShs 130,000 to KShs 50,000,000.

2. On 9 September 2026, the Company subdivided its 500,000 issued ordinary shares with a nominal value of KES 100 each into 250,000,000 ordinary shares with a nominal value of KES 0.20 each. On the same date, the Company increased its nominal share capital from KES 50,000,000 to KES 800,000,000 through the creation of 3,750,000,000 additional ordinary shares of KES 0.20 each. The additional shares were fully paid through the application of KES 750,000,000 from the share premium account and allotted as bonus shares to the sole shareholder, resulting in 4,000,000,000 issued ordinary shares of KES 0.20 each.

3. On 18 September, the Board of Directors unanimously resolved and adopted the resolution on approval and payment of interim dividend amounting to KShs 1,294,117,647 for the financial period ended 31 August 2026. As at 30 June 2026, KShs 1.1 billion had been paid to the shareholders and presented as advances to shareholders in the statement of financial position and within changes in working capital in the statement of cash flows.

Other than the above, the directors are not aware of any events occurring after the reporting date that require disclosure in or adjustments to the financial statements

QUICK MART LIMITED

EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION AS OF 31 DECEMBER 2027

AND FOR THE PERIOD FROM 1 JULY 2026 TO 31 DECEMBER 2027

QUICK MART LIMITED
PROSPECTIVE FINANCIAL INFORMATION

Contents

	Page
Statement of Directors' Responsibilities	1
Report of the Reporting Accountant	2 - 4
Financial Statements:	
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 10

QUICK MART LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for ensuring that Quick Mart Limited (the 'Company') keep proper accounting records that are sufficient to show and explain the transactions of the Company; disclose with reasonable accuracy at any time the financial position of the Company; and that enables them to prepare financial statements of the Company that comply with prescribed financial reporting standards. They are also responsible for safeguarding the assets of the 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 the prospective financial information, and the underlying assumptions, in accordance with the Company's accounting policies which are based on IFRS Accounting Standards. They also accept responsibility for:

i) designing, implementing, and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
ii) selecting suitable accounting policies and applying them consistently; and
iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having assessed the Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

The directors acknowledge that the independent review of the prospective financial information does not relieve them from their responsibility.

Approved by the board of directors on 29 September 2026 and signed on its behalf by:

Jacques Dome
.....
Director's Name:

.....
Director's Signature:

Peter Kang'iri
.....
Director's Name:

.....
Director's Signature:

Shape the future with confidence

Ernst & Young LLP
Kenya-Re Towers
Upper Hill
Off Ragati Road
PO Box 44286 - 00100
Nairobi GPO, Kenya

Tel: +254 20 2886000
Email: info@ke.ey.com
www.ey.com
LLP/2015/52

REPORT ON EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION

To The Directors
Quick Mart Limited
Ruaka – Old Limuru Road
P.O. Box 2361-00621
Nairobi, Kenya

Subject Matter Information

We have been engaged by Quick Mart Limited (the "Company") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to obtain limited assurance about whether the prospective financial information (the "Subject Matter"), as of 31 December 2027 and for the period from 1 July 2026 to 31 December 2027 based on management's best estimate assumptions (the "Criteria"), in all material respects, and issue a written report setting out our conclusion.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Applicable Criteria

In preparing the prospective financial information, the Company applied management's best estimate assumptions (the "Criteria"). Such Criteria were specifically designed for use by the Company's management. As a result, the subject matter information may not be suitable for another purpose.

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the prospective financial information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the presentation of the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the terms of reference for this engagement as agreed with the Company on *23 June* 2026. Those standards require that we plan and perform our engagement to express a conclusion as to whether, based on the procedures performed and evidence obtained, we are aware of any material modifications that need to be made to the Subject Matter, in order for it to be based on the Criteria and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

REPORT ON EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

A limited assurance engagement in accordance with ISAE 3400, does not contemplate testing internal controls, assessing control risk or other procedures ordinarily performed during a reasonable assurance engagement (e.g., assessing fraud risk; testing company's records by obtaining sufficient appropriate evidence through inspection of source documents, observation or confirmation). A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, the objective of which is to obtain reasonable assurance about whether the Subject Matter is based on the Criteria, in all material aspects, in order to express an opinion. Certain matters may not be identified during a limited assurance engagement that may be identified during a reasonable assurance engagement. Accordingly, we will not provide a reasonable assurance opinion as part of this Engagement.

A limited assurance engagement consists principally of applying analytical procedures, making inquiries of persons responsible for the Subject Matter and performing such other procedures as we consider necessary in the circumstances.

Our procedures included:

1. Analyse current performance (most recent month within the current financial year, i.e., 2026) and compare against the budgeted results for the period

2. Prepare adjusted Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) for the last twelve months actual performance ("LTM to most recent month within the current financial year i.e. 2026") and compare to current full year budget

3. Calculate Year to Go ("YTG") results based on latest full year forecast less YTD results to analyse revenue and EBITDA to be achieved in the remainder of current year and compare against:

    - The same period in the prior year, and
    - The forecast for the remainder of the year
    - Recent historical events impacting volumes, pricing, mix and costs

4. Discuss the analysis (1-3) with management

5. Review accuracy of budgeting against actual performance for the last 5 years

6. Review the prospective information to be included in the Information Memorandum and report thereon, where applicable.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

REPORT ON EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Conclusion

Based on the procedures performed and evidence obtained, we are not aware of any material amendments that need to be made to the assessment of key performance indicators for them to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Quick Mart Limited, Capital Markets Authority, Nairobi Securities Exchange (NSE) and Potential Shareholders, and is not intended to be and should not be used by anyone other than those specified parties.

Allan Gichuhi

For and on behalf of Ernst & Young LLP
Certified Public Accountants
Nairobi, Kenya

29/09/.....2026

A member firm of Ernst & Young Global Limited

QUICK MART LIMITED
PROSPECTIVE FINANCIAL INFORMATION
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	12 Months 1 January to 31 December 2027 KShs 000	6 Months 1 July to 31 December 2026 KShs 000
Revenue	67,435,723	30,937,646
Cost of sales	(52,127,814)	(23,940,139)
Gross profit	15,307,909	6,997,507
Other income	371,735	180,289
Operating Income	15,679,644	7,177,796
EXPENSES		
Employee benefits	(4,328,920)	(1,919,791)
Administration and general expenses	(3,575,018)	(1,782,272)
Depreciation of property and equipment	(944,100)	(418,724)
Depreciation of right of use assets	(1,205,798)	(558,065)
Amortisation of intangible assets	(38,758)	(18,211)
Allowance for expected credit losses	(15,859)	(15,450)
Operating expenses	(10,108,453)	(4,712,513)
Operating profit before finance costs and tax	5,571,191	2,465,283
Net finance charges	(1,671,085)	(766,880)
Profit before tax	3,900,106	1,698,403
Income tax expenses	(1,051,791)	(468,393)
Profit for the year	2,848,316	1,230,010
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	2,848,316	1,230,010

QUICK MART LIMITED
PROSPECTIVE FINANCIAL INFORMATION
STATEMENT OF FINANCIAL POSITION

	31 December 2027 KShs '000	31 December 2026 KShs '000
ASSETS		
Non-current assets:		
Property and equipment	7,030,227	6,209,149
Right-of-use assets	7,082,348	6,544,150
Intangible assets	90,436	89,195
Deferred tax asset	709,718	591,477
Long term deposits	222,114	222,114
Total non-current assets	15,134,843	13,656,085
Current assets:		
Inventories	5,032,939	4,507,862
Trade and other receivables	2,260,676	2,119,052
Term deposit	1,500,000	1,400,000
Cash and equivalents	1,013,126	509,456
Total current assets	9,806,741	8,536,370
TOTAL ASSETS	24,941,584	22,192,455
EQUITY AND LIABILITIES		
EQUITY		
Share capital	130	130
Share premium	799,970	799,970
Retained earnings	653,939	358,564
Total equity	1,454,039	1,158,664
LIABILITIES		
Non-*current Liabilities:*		
Lease liabilities	8,747,481	7,815,145
Total non-current liabilities	8,747,481	7,815,145
Current liabilities:		
Lease liability	1,000,413	1,000,413
Trade and other payables	13,434,911	11,935,531
Income tax payable	304,740	282,702
Total current liabilities	14,740,064	13,218,646
TOTAL LIABILITIES	23,487,545	21,033,791
TOTAL EQUITY AND LIABILITIES	24,941,584	22,192,455

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

Jacques Dome
.....
Director's Name

.....
Director's Signature

Peter Kang'iri
Director's Name

Director's Signature

QUICK MART LIMITED
PROSPECTIVE FINANCIAL INFORMATION
STATEMENT OF CHANGES IN EQUITY

	Share capital KShs'000	Share premium KShs'000	Retained Profit KShs'000	Total equity KShs'000
At 31 December 2026:				
At 1 July 2026	130	799,970	1,128,554	1,928,654
Profit for the year	-	-	1,230,010	1,230,010
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	1,230,010	1,230,010
Dividend paid	-	-	(2,000,000)	(2,000,000)
At 31 December 2026	130	799,970	358,564	1,158,664
At 31 December 2027:				
At 1 January 2027	130	799,970	358,564	1,158,664
Profit for the year	-	-	2,848,316	2,848,316
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	2,848,316	2,848,316
Dividend paid	-	-	(2,552,941)	(2,552,941)
At 31 December 2027	130	799,970	653,939	1,454,039

QUICK MART LIMITED
PROSPECTIVE FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS

	12 Months 1 January to 31 December 2027	6 months 1 July to 31 December 2026 (6 months)
OPERATING ACTIVITIES	KShs '000	KShs '000
Profit before tax	3,900,106	1,698,403
Adjustments for: -		
Depreciation - Property and equipment	944,100	418,724
- Right-of-use assets	1,205,798	558,063
Amortisation charge on intangible assets	38,758	18,211
Finance charges on capital leases	1,331,414	616,151
Operating profit before working capital changes	7,420,176	3,309,552
Working capital changes:		
- Inventories	(525,077)	(698,815)
- Trade and other receivables	(141,624)	(524,837)
- Trade and other payables	1,499,382	2,551,823
Cash generated from operating activities before tax	8,252,857	4,643,723
Income tax paid	(1,147,993)	(408,039)
Net cash flows generated from operating activities	7,104,865	4,235,864
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,765,179)	(971,112)
Purchase of intangible assets	(40,000)	(13,000)
Net cash flows used in investing activities	(1,805,179)	(984,112)
FINANCING ACTIVITIES		
Repayment of bank borrowings	-	(6,776)
Payment of dividends	(2,552,941)	(900,000)
Repayment of lease liabilities	(2,143,075)	(1,135,508)
Net cash flows used in financing activities	(4,696,016)	(2,042,284)
Net increase in cash and cash equivalents	603,670	1,209,288
Cash and cash equivalents at start of year/period	1,909,456	700,168
Cash and cash equivalents at end of year/period	2,513,126	1,909,456

QUICK MART LIMITED
NOTES TO THE PROSPECTIVE FINANCIAL INFORMATION

1. Basis of preparation

The prospective financial information has been prepared by Management based on the assumptions set out below, and in accordance with the Company's accounting policies which are based on IFRS Accounting Standards. The accounting policies applied are consistent with those applied in the preparation of the Company's historical financial statements.

The financial information is presented in Kenya Shillings, and all values are rounded to the nearest thousand (KShs'000), except where stated otherwise.

2. Key assumptions used in deriving the prospective financial information

The prospective financial information is based on the approved Company's forecasts for the six months ending 31 December 2026 and the year ending 31 December 2027. The key assumptions used are as follows:

Revenue

Revenue in the forecast period is expected to increase by 16% Year on Year in FY27, primarily driven by store openings. Three stores are projected to open between July 2026 and December 2026 and a further 10 stores in 2027. Historically, Management has demonstrated a strong execution track record, with shortfalls largely attributed to store-specific challenges rather than broader external factors. The planned store rollout has received Board approval, with implementation already underway and funding supported by cash generated from operations. However, we note that lease agreements for the 10 planned store openings in FY27 are yet to be finalized.

Additionally, a growth of 6.0% monthly in like-for-like sales is expected in the forecast period. Management intends to achieve these targets primarily through increased market awareness driven by marketing initiatives and promotional campaigns.

Cost of sales

Cost of sales as a percentage of revenue for FY26 and FY27 is 77.4% and 77.3% respectively and gross profit margin is 22.6% and 22.7% respectively (and 22.0% in FY2025). This reflects Management's ability to negotiate favourable trading terms and improved margins with suppliers.

Other income

Management expects a modest increase in other income streams, supported by achievable sales team targets and continued growth in these categories. Promotional discounts are forecast at 5.0% of revenue, consistent with FY25 performance, reflecting Management's expectation of ongoing supplier support as sales volumes increase. Rebates are projected at 2.6% of revenue, slightly above the historical average of 2.3% recorded between FY21A and FY25A, while gondola income is forecast at 0.3% of revenue, compared to a historical average of 0.4%. Shrinkage is forecast at 0.5% of revenue, in line with historical performance, while wastage is projected at 0.2% of revenue, compared to a historical average of 0.1%.

Administrative costs

Administrative costs comprise employee benefits, administration, and general expenses. These costs are forecast at 11.8% of revenue, slightly above the FY21-FY25 historical average of 11.3%, reflecting continued business expansion.

Net finance charges

Management excluded finance income from the forecast, as it has historically been immaterial. Finance expenses are forecasted at 2.6% of revenue.

Inventories

Inventories are projected to grow by 32% from KES 4.4b (Dec25A) to KES 5.0b (Dec27F) driven by expansion of the business. Closing inventory is calculated as opening inventory plus purchases, less cost of sales and inventory adjustments for shrinkage and wastage. Inventory days are measured using closing inventory against annualised cost of sales for the preceding three months and are forecasted at an average of 29 days in FY27 against an average of 30 days in FY25.

Trade and other receivables

Trade receivables are forecasted to increase from KES 1.8b (Dec25A) to KES 2.3b (Dec27F) in line with increase in revenue. The closing receivables balance is derived from the opening receivables balance, net invoiced income projections and forecasted timing for collections based on contractual settlement terms.

2. Key assumptions used in deriving the prospective financial information (Continued

Trade and other payables
Trade payables are forecasted to increase by 30% from KES 11.2b (Dec25A) to KES 13.4b (Dec27F). The closing trade payables balance is derived from the opening payables, purchases and payment amounts. Payable days are determined based on annualised purchases for the last three months net of VAT and are forecasted at an average of 59 days in FY27, an improvement of 4 days from FY25. Management plans to leverage operational learnings to enhance supply chain planning and inventory management which is expected to support a gradual reduction in inventory days and payable days over time as observed historically.

QUICK MART LIMITED
Appendix

i) Historical EBITDA Analysis for the Financial Years Ended 2021 to 2025 and Six-Month Period Ended June 2026

	30 June 2026 (6 months) KShs '000	31 December 2025 KShs '000	31 December 2024 KShs '000	31 December 2023 KShs '000	31 December 2022 KShs '000	31 December 2021 KShs '000
Operating profit before finance costs and tax	1,948,568	3,450,784	2,966,079	1,979,098	1,641,105	1,097,318
Depreciation of property and equipment	354,848	696,767	739,760	773,055	660,951	540,409
Depreciation of right-of-use assets	497,954	897,467	872,602	845,256	745,535	554,601
Amortization of intangible assets	17,343	30,575	33,408	38,003	28,162	24,128
EBITDA	2,818,713	5,075,593	4,611,849	3,635,412	3,075,753	2,216,456
Management and consultancy fees*	147,611	264,730	214,006	218,985	292,276	220,181
Merger costs**	-	-	-	-	-	4,726
Impact of protests***	-	20,967	39,389	-	-	-
Covid expenses****	-	-	-	-	88,583	106,378
Consultancy fees*****	-	-	-	-	-	48,000
Adjustments to EBITDA	147,611	285,697	253,395	218,985	380,859	379,286
Tax impact of adjustments	44,283	85,709	76,019	65,696	114,258	113,786
Net impact of adjustments to net income	103,328	199,988	177,376	153,289	266,601	265,500
Adjusted EBITDA	2,966,324	5,361,290	4,865,244	3,854,397	3,456,612	2,595,742
Net profit reported	872,793	1,508,574	1,134,807	449,611	274,958	182,637
Adjusted Net Profit	976,121	1,708,562	1,312,183	602,900	541,559	448,137

*This relates to management and consultancy fees paid to shareholders that are dividend-like. The contracts were terminated.
**These were legal and professional costs incurred to put in place the merged entity
***These were costs that resulted from the temporal business interruptions following the unusual protest experienced in the country
****These were costs experienced during COVID such as sanitisation of the stores, handwashing
*****This was a one-off consultancy for the post-merger integration project

QUICK MART LIMITED
Appendix

ii) Historical EBITDA Analysis for the last twelve months (LTM) to June 2026

	LTM 2026 (12 months) KShs '000	FY26F (12 months) KShs '000
Operating profit before finance costs and tax	3,443,911	4,413,851
Depreciation of property and equipment	684,765	773,572
Depreciation of right-of-use assets	946,686	1,056,019
Amortization of intangible assets	32,631	35,554
EBITDA	5,107,992	6,278,996
Management and consultancy fees	297,276	306,243
Impact of protests***	8,594	-
Adjustments to EBITDA	305,869	306,243
Tax impact of adjustments	91,761	91,873
Net impact of adjustments to net income	214,108	214,370
Adjusted EBITDA	5,413,861	6,585,239
Net profit reported	1,529,374	2,102,803
Adjusted Net Profit	1,743,482	2,317,173

***These were costs that resulted from the temporal business interruptions following the unusual protest experienced in the country.

QUICK MART LIMITED
Appendix

iii) Budget versus Actual Performance for the Six-Month Period Ended June 2026

	30 June 2026 Budget	30 June 2026 Actual
	KShs 000	KShs 000
Revenue	26,810,168	27,266,942
Cost of sales	(20,918,254)	(21,120,797)
Gross profit	5,891,914	6,146,145
Other income	310,872	167,920
Operating Income	6,202,786	6,314,065
EXPENSES		
Employee benefits	(1,823,791)	(1,758,232)
Administration and general expenses	(1,523,043)	(1,755,101)
Depreciation and amortisation	(818,757)	(870,145)
Allowance for expected credit losses	17,983	17,981
Operating expenses	(4,147,608)	(4,365,497)
Operating profit before finance costs and tax	2,055,178	1,948,568
Net finance charges	(727,731)	(698,782)
Profit before tax	1,327,447	1,249,786
Income tax expenses	(477,779)	(376,993)
Profit for the period	849,668	872,793
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	849,668	872,793

QUICK MART LIMITED
Appendix

iv) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (H1- 1 January 2026- 30 June 2026 Actual & 1 July 2026 - 31 December 2026 Projected)

	6 Months Actual 1 January to 30 June 2026 KShs 000	6 Months Projected 1 July to 31 December 2026 KShs 000	12 Months (6 Months Actual plus 6 Months Projected) 1 January to 31 December 2026 KShs 000
Revenue	27,266,942	30,937,646	58,204,588
Cost of sales	(21,120,797)	(23,940,139)	(45,060,936)
Gross profit	6,146,145	6,997,507	13,143,652
Other income	167,920	180,289	348,209
Operating Income	6,314,065	7,177,796	13,491,861
EXPENSES			
Employee benefits	(1,758,232)	(1,919,791)	(3,678,023)
Administration and general expenses	(1,755,101)	(1,782,272)	(3,537,373)
Depreciation of property and equipment	(354,848)	(418,724)	(773,572)
Depreciation of right of use assets	(497,954)	(558,065)	(1,056,019)
Amortisation of intangible assets	(17,343)	(18,211)	(35,554)
Allowance for expected credit losses	17,981	(15,450)	2,531
Operating expenses	(4,365,497)	(4,712,513)	(9,078,010)
Operating profit before finance costs and tax	1,948,568	2,465,283	4,413,851
Net finance charges	(698,782)	(766,880)	(1,465,662)
Profit before tax	1,249,786	1,698,403	2,948,189
Income tax expenses	(376,993)	(468,393)	(845,386)
Profit for the year	872,793	1,230,010	2,102,803
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year, net of tax	872,793	1,230,010	2,102,803