



Tanzania Portland Cement  
Public Limited Company

2024

# Integrated Report

Strengthening  
Our Core



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# 01

## Letter of Transmittal

### The Shareholders

Tanzania Portland Cement Public Limited Company

#### Letter of Transmittal

The Directors of the Company have the pleasure to submit to you the Annual Report for the Company for the year ended 31 December 2024 in accordance with section 166 of the Companies Act, 2002.

The report contains the Chairman's Statement, Managing Director's Statement, Sustainability Report, The Report of Those Charged with Governance, Independent Auditors' Report on the Accounts and the Annual Accounts.

The Directors recommend a final dividend of TZS 600 per share (2023: TZS 390). There was no interim dividend paid for the year ended 31 December 2024.



**Mr. Hakan Gurdal**

Chairman

Tanzania Portland Cement Public Limited Company

### Kwa Wanahisa

Tanzania Portland Cement Public Limited Company

#### Barua ya Kuwasilisha

Wakurugenzi wa Kampuni wanayo furaha kuwasilisha kwenu Taarifa ya Mwaka ya Kampuni kwa kipindi cha mwaka ulioishia Decemba 31, 2024, kwa mujibu wa ibara ya 166 ya Sheria ya Kampuni ya mwaka, 2002.

Taarifa hii inajumuisha, Taarifa ya Mwenyekiti, Taarifa ya Mkurugenzi Mtendaji, Ripoti ya Uendelevu, Ripoti ya Wale Wanaohusika na Uongozi, Ripoti ya Wakaguzi kuhusu hesabu na Hesabu za mwaka.

Bodi ya Wakurugenzi inapendekeza gawio la TZS 600 kwa kila hisa kwa mwaka 2024 (2023: TZS 390). Hakukuwepo na gawio la awali lililolipwa kwa mwaka 2024.



**Mr. Hakan Gurdal**

Mwenyekiti

Tanzania Portland Cement Public Limited Company

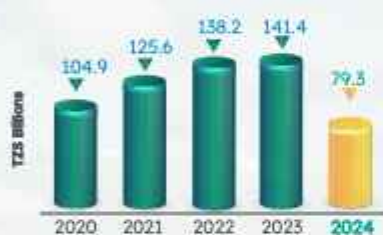


## 5-Year Overview

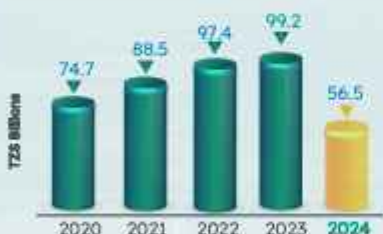
### Revenue development



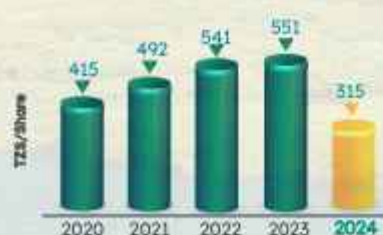
### Operating Profit



### Profit for the Year



### Earnings Per Share



CAGR\* Earnings per Share

\*CAGR = Compound Annual Growth Rate

“Tanzania's cement market continues to demonstrate steady growth, notwithstanding increased competitive pressures and lack of government projects. Twiga is strategically positioned to capitalize on this momentum by driving operational excellence and reinforcing its commitment to sustainable business practices as well as its focus on health & safety”



01

## TPCPLC 2024 Business Performance

### Revenue



TZS **448.6** billion

### Operating Profit



TZS **79.3** billion

### Profit for the Year



TZS **56.5** billion

### Return on equity



18.0%

### Return on revenue



12.6%

### Dividend Per Share



TZS **600** per Share

### Sustainable revenues

+1.4%



**85.0%**

### CO<sub>2</sub> emissions

-31.6 Kg/t cement



**508** kg/t cement









## 02

## Chairman and Managing Director Statement

|                                |    |
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## 02

Chairman's  
Statement

The Board, proposed a dividend for 2024 of TZS 600 per share, which is 54% above the previous year

*Hakan Gurdal*  
Chairman of the Board



Dear Shareholders,

Dear Employees, Dear Friends of the Twiga Cement family,

The year 2024 has been a good year for us in many ways. As the Chairman of the Board, I am privileged and honoured to present this statement on behalf of the Twiga Cement family and the Board of Directors.

**8.5%**

decline in Turnover

**TZS 79.3 billion**

Operating Profit

**5.4%**

**2024**

Tanzania  
Economic  
Growth

**53.8%**

above previous year

**600 Per Share**

Dividends

I convey my sincere gratitude to all our employees and partners, especially our frontline workers who consistently demonstrate exceptional commitment to ensuring the safety of our people and maintaining the strong performance of our business operations. Notably, our teams have remained steadfast in tackling the challenge of climate transformation by implementing sustainable measures including the further development of alternative fuel-feeding systems and utilizing alternative raw materials to reduce clinker incorporation, thus reducing our carbon footprint on the environment.

Our high-performance culture has enabled us to achieve strong operating results in 2024, despite fierce competition in the cement manufacturing industry. The sustainable market position that TPCPLC holds today indicates the dedication and hard work of the entire team. I am immensely proud of each one of our employees and stakeholders, and I extend my sincere thanks for their extraordinary commitment.

TPCPLC has continued to benefit from the best practice experiences of the Heidelberg Materials Group through its global improvement programs, CIP (maintenance, planning and optimization). The implementation of CIP has led to specific actions that have further optimized

our costs and processes. Our dedication to learning from these best practices not only distinguishes us but also enhances the needed training and development of our employees.

### Economic and Business Environment

The Tanzanian economy has continued to grow at about 5.4% in the year 2024 compared to 5.3% in the year 2023.

The Tanzanian Shilling has experienced a depreciation of 3.6% over the year 2024 against United States Dollar with an inflation rate of 3.1%. This depreciation has led to inflationary pressures, particularly impacting energy, logistic and fuel costs. However, it is worth noting that, intra-period, from July to December 2024, the Shilling steeply appreciated by 9.5%.

The cement market has seen significant shifts, characterized by new capacities and consequent pricing pressures. These dynamics have necessitated a robust response from TPCPLC's management structures, putting to the test the efficiency of the cost reduction plans which are also crucial to maintaining competitiveness.



Strengthening Our Core





## Cash flow performance remained strong compared to the previous year.

### Financial Performance

TPCPLC achieved an operating profit of TZS 79 billion. This result was driven by an 8% decline in turnover, which was partly offset by some cost reduction measures.

Additionally, TPCPLC's cash flow performance remained strong compared to the previous year. This improvement was primarily a result of improvements in working capital



### Prospects

The cement market in Tanzania is very competitive, but with the anticipated growth in cement demand, we believe that TPCPLC will continue to benefit from the company's strategic investments, the continued focus on customer service and the relentless pursuit of optimising production efficiency within a safe operating environment for our employees. We believe these factors continue to allow TPCPLC to meet the objective of maintaining and extending its leadership position in the market, leaving TPCPLC well-positioned for sustainable and profitable growth in the future.



### Dividend

The Board remains focused on building shareholders' value, and we are confident that by following our strategies, we will achieve this. The Board, therefore, proposed a dividend for 2024 of TZS 600 per share, which is 54% above the previous year



**TZS 600**  
per share

### Corporate Citizenship

TPCPLC is fully committed to environmental sustainability as well as Corporate Social Responsibility and continues to take all necessary

measures to improve its performance regarding health and safety and human rights of its employees, good governance and the protection of the environment.

TPCPLC remains a major contributor to the Tanzanian economy and society through government taxes, technology improvements, new investments, compliance with international business standards, community development programs, fair employment and leading the industry in performance and most importantly, in building the Nation.



### Appreciation

On behalf of the Board, I want to express sincere appreciation to all TPCPLC's stakeholders. Despite the challenges we encountered during the year 2024, your unwavering trust and support were instrumental in our continued success.

**Partners and Customers:** Thank you for your continued collaboration and loyalty. Your commitment to TPCPLC fuels our dedication to delivering high-quality products and services.

**Employees:** Your dedication and hard work are the foundation of our achievements. We are incredibly grateful for your contributions and unwavering commitment.

**Shareholders:** We appreciate your continued faith in TPCPLC. We are committed to delivering strong performance and creating long-term value for you.

Looking ahead, we are confident that TPCPLC will continue to thrive thanks to the ongoing support of our entire stakeholder community

Hakan Gurdal  
Chairman of the Board







## 02

Taarifa ya  
Mwenyekiti

Bodi inapendekeza gawio kwa mwaka 2024 la TZS 600 kwa kila hisa Ambayo ni asilimia 54 zaidi ya mwaka uliopita

*Hakan Gurdal*  
Mwenyekiti wa Bodi



**Ndugu Wanahisa,**

**Ndugu Wafanyakazi, Marafiki wa familia ya Twiga,**

**Mwaka wa 2024 umekuwa mwaka mzuri kwetu kwa njia nyingi. Kama Mwenyekiti wa Bodi, nina heshima na fahari kubwa kuwasilisha taarifa hii kwa niaba ya familia ya Twiga Cement na Bodi ya Wakurugenzi.**

kushuka kwa  
mapato kwa

**8.5%**

**TZS bilioni 79.3**

Utendaji wa Kifedha

**5.4%**  
**2024**

Ukuwaji wa  
Uchumi wa  
Tanzania

Asilimia

**53.8%**

zaidi ikilinganishwa  
na mwaka 2024

**600 kwa kila hisa**  
Gawio

Natoa shukrani zangu za dhati kwa wafanyakazi wetu wote na washirika, hasa wafanyakazi wetu wa mstari wa mbele ambao daima wanaonyesha kujitolea kwa kipekee kuhakikisha usalama wa watu wetu na kudumisha utendaji mzuri wa shughuli zetu za biashara. Kwa umuhimu maalum, timu zetu zimeendelea kukabiliana na changamoto ya mabadiliko ya tabianchi kwa kutekeleza hatua endelevu, ikijumuisha maendeleo zaidi ya mifumo ya kutumia nishati mbadala na kutumia malighafi mbadala ili kupunguza matumizi ya klinka, hivyo kupunguza athari yetu ya kaboni kwenye mazingira.

Utamaduni wetu wa utendaji wa kiwango cha juu umetuwezesha kupata matokeo mazuri ya kiutendaji mwaka 2024, licha ya ushindani mkali katika sekta ya uzalishaji wa saruji. Nafasi endelevu ya soko ambayo TPCPLC inashikilia leo inaonesha kujitolea na kazi kubwa ya timu nzima. Najivunia sana kila mfanyakazi na mdau wetu, na ninatoa shukrani za dhati kwa kujitolea kwao kwa hali ya kipekee.

TPCPLC imeendelea kunufaika na uzoefu wa mbinu bora kutoka kundi la Heidelberg Materials kupitia programu zake za kimataifa za maboresho, CIP (matengenezo, upangaji na uboreshaji). Dhamira yetu ya kujifunza kutoka kwa mbinu hizi bora haijatufanya

tu kuwa wa kipekee, bali pia imeimarisha mafunzo na maendeleo ya wafanyakazi wetu.

### Mtazamo wa Uchumi na Biashara

Uchumi wa Tanzania umeendelea kukua kwa takriban asilimia 5.4% katika mwaka 2024, ikilinganishwa na asilimia 5.3% mwaka 2023.

Shilingi ya Tanzania imeendelea kupungua thamani dhidi ya sarafu kuu za kigeni katika kipindi chote cha mwaka 2024 kwa asilimia 3.6% ikiambatana na ongezeko la mfumuko wa bei la 3.1%. Kupungua huku kwa thamani kumeongeza shinikizo la mfumuko wa bei, hasa kwa gharama za nishati, usafirishaji na mafuta. Aidha katika kipindi cha Julai kuelekea Disemba 2024, shilingi ilinuka thamani kwa asilimia 9.5%.

Soko la saruji limepitia mabadiliko makubwa, likikabiliwa na uwezo mpya wa uzalishaji na shinikizo la bei. Mabadiliko haya yamehitaji mwingi madhubuti kutoka kwa uongozi wa TPCPLC, na yamekuwa kipimo cha ufanisi wa mipango ya kupunguza gharama, ambayo pia ni muhimu katika kudumisha ushindani sokani.



Strengthening Our Core







Utendaji wa mtiririko wa fedha wa TPCPLC uliendelea kuwa imara ikilinganishwa na mwaka uliopita.

### Utendaji wa Kifedha

TPCPLC ilipata faida ya uendeshaji ya TZS bilioni 79. Matokeo haya yalichangiwa na kushuka kwa mapato kwa asilimia 8%, ambayo kwa kiasi fulani ilikabiliwa na hatua za kupunguza gharama.



Aidha, utendaji wa mtiririko wa fedha wa TPCPLC uliendelea kuwa imara ikilinganishwa na mwaka uliopita. Uboreshaji huu ulitokana hasa na maboresho katika usimamizi wa mtaji kazi.

katika masuala ya afya na usalama, haki za binadamu kwa wafanyakazi wake, utawala bara, na uhifadhi wa mazingira.

TPCPLC inaendelea kuwa mchangiaji mkubwa wa uchumi na jamii ya Tanzania kupitia ulipaji wa kodi kwa serikali, maboresho ya kiteknolojia, uwekezaji mpya, uzingatiaji wa viwango vya kimataifa vya biashara, programu za maendeleo ya jamii, ajira zenye usawa, na kuongoza sekta katika utendaji bora – na zaidi ya yote, katika kujenga Taifa.



### Matarajio

Soko la saruji nchini Tanzania lina ushindani mkubwa, lakini kutokana na matarajio ya ukuaji wa mahitaji ya saruji, tunaamini kwamba TPCPLC itaendelea kufaidika na uwekezaji wa kimkakati wa kampuni, msisitizo unaoendelea katika utoaji wa huduma kwa wateja, na jitihada zisizokoma za kuboresha ufanisi wa uzalishaji ndani ya mazingira salama kwa wafanyakazi wetu. Tunaamini kwamba mambo haya yataendelea kuiwezesha TPCPLC kufikia lengo lake la kudumisha na kupanua uongozi wake sokoni, hivyo kuiweka TPCPLC katika nafasi nzuri ya ukuaji endelevu na wenye faida katika siku zijazo.



### Gawio

Bodi inaendelea kujikita katika kuongeza thamani kwa wanahisa, na tunaamini kwamba kwa kufuata mikakati yetu, tutafanikisha hili. Kwa hiyo, Bodi inapendekeza gawio kwa mwaka 2024 la TZS 600 kwa kila hisa.



**TZS 600**  
kwa kila hisa

### Uraia Mwema

TPCPLC imejitatiti kikamilifu katika kuhakikisha uhifadhi wa mazingira pamoja na Uwajibikaji wa Makampuni kwa Jamii, na inaendelea kuchukua hatua zote zinazohitajika ili kuboresha utendaji wake

### Shukrani

Kwa niaba ya Bodi, napenda kutoa shukrani za dhati kwa wadau wote wa TPCPLC. Licha ya changamoto tulizokumbana nazo katika mwaka 2024, imani na msaada wenu usioyumba umechangia pakubwa katika mafanikio yetu ya endelea.

Washirika na Wateja: Asanteni kwa ushirikiano wenu endelevu na uaminifu. Dhamira yenu kwa TPCPLC ndiyo inayatuchochea kuendelea kutoa bidhaa na huduma zenye ubora wa hali ya juu.

Wafanyakazi: Uaminifu wenu na kazi kwa bidii ndicho msingi wa mafanikio yetu. Tunathamini kwa dhati mchango wenu na kujitolea kwenu bila kuyumba.

Wanahisa: Tunathamini imani yenu endelevu kwa TPCPLC. Tumejipanga kuhakikisha utendaji bora na kuwaletea thamani ya muda mrefu.

Tukiangalia mbele, tunayo Imani kwamba TPCPLC itaendelea kufanikiwa kwa msaada endelevu kutoka kwa jamii nzima ya wadau wetu.

Hakan Gurdal

**Mwenyekiti wa Bodi**







## 02

**Managing Director  
Statement**

In the year 2024, TPCPLC managed to achieve an Operating Profit of TZS 79.3 billion, with a profit of TZS 56.7 billion after taxes. Earnings per share was TZS 315 in the same period



*Alfonso Velez*  
Managing Director



## “Leading the Way in Sustainability and Resilient Growth”

**Tshs 124 billion**

Cash flow from operating activities

### Dear Shareholders,

2024 has been a remarkable year for TPCPLC, highlighted by resilience and innovation. Despite a challenging market environment, due mainly to rains, lack of projects in public works, and tough competition, we have achieved notable progress in sustainability initiatives.

In 2024, cement production and sales increased slightly, while prices were affected by market competition. Clinker production decreased by 1.4% compared to the previous year. However, electricity prices in 2024 remained stable. The gas price was impacted slightly in the second half of the year, due to the finalization of the protected gas contract. We have continued to improve our substitution rate of alternative fuels by consuming bigger amounts of biomass, giving us a stronger position on the road to sustainability.

We have improved our raw material mix and optimized clinker incorporation, as we strive to produce eco-friendly, high-quality cement. We also succeeded in reducing CO2 emissions further compared to the previous year.

Our strong customer base and approach through customer centricity is a critical pillar of our strategy, making possible to achieve our ambitious commercial targets in all Tanzanian territories and export markets.

We are highly confident in our teams, products and services, to collaborate with our customers in finding the best solutions in such a competitive environment to ensure continuous value creation for our stakeholders.

### Revenue Performance

In 2024 TPCPLC's cement revenue was reduced by 8% compared to 2023, due to lower prices and the finalization of the Government infrastructure projects, in which Twiga played a pivotal role as a cement supplier.

Despite the challenging market environment, we have managed to maintain our market position through efficient operations, innovation, commitment to quality, and customer-centric approaches by keeping customer satisfaction as the focus of our distribution strategies.

The Twiga sales team is collaborating closely with our distributors to position our products in every market segment within Tanzania and neighbouring countries. The entry of new players in the market has intensified competition further, but TPCPLC is well positioned to further develop its strong market position. Exporting to neighbouring countries will continue to be essential to promote regional integration within the East African Community.



### Operations Performance

In 2024 TPCPLC remained in a similarly strong position in the production of clinker, whereby, cement production also slightly increased.

Most of the critical operational key metrics for the year show a positive trend in overall plant performance and quality, confirming once more the need to focus on efficiency improvement and reducing production costs to remain competitive.

Kilns and mills operating coefficients have improved, as well as the fuel efficiency. The expert system implementation and better power monitoring are contributing to avoid idle running hours and improving the performance of our equipment. Maximizing capacity utilization is a top priority for our technical team.

The efforts made throughout the year on the operational side to increase clinker production, combined at the same time with the focus on producing high-quality cement products, have allowed TPCPLC to continuously improve its operating results.



## Financial Performance

In the year 2024, TPCPLC managed to achieve an Operating Profit of TZS 79.3 billion, with a profit of TZS 56.7 billion after taxes. Earnings per share was TZS 315 in the same period.

Cash flow from operating activities increased to TZS 124 billion from TZS 96 billion, an increase of 29% compared to the previous year. This improvement can be attributed, among other factors, to improved net working capital.

Our balance sheet remains robust and healthy mainly due to higher current assets, particularly higher cash, and cash equivalents, making it possible to deliver high, stable, and predictable dividends to our shareholders one more year.

## Digitalization

Our focus on digitalization remains, as a means of enhancing our overall productivity and better serving our customers and stakeholders. In 2024 digitalization has continued to help us to optimize new technologies that would improve the raw material mix, thus reducing CO2 emissions and improving the efficiency of energy consumption, as well as improving the overall performance of our employees in various departments.

Digitalization continues to be one of our main pillars in creating more opportunities in our changing business environment. Applying it further from production and maintenance departments to administration and to sales will ensure optimal performance and growth as well as cost optimization.

## Our ESG Strategy in Action Environment

TPCPLC implemented various environmental programs as per our management plan. Several training programs were facilitated during the year by the company, conducted within our Wazo quarry, participants were stakeholders from NGOs, municipalities, universities, government institutions & diplomatic missions, primary, secondary, and higher learning institutions, TPCPLC employees and contractors.

These trainings or workshops carried out were about quarry rehabilitation and the promotion of urban forestry concepts in cement factories. In 2024, 23,548 tree seedlings were donated for greening activities from our tree nursery, and 27,303 valuable trees were planted for quarry rehabilitation within the factory.

TPCPLC's environmental management efforts are focused on alternative fuels (energy substitution) and the reduction of CO2 emission. We are currently collaborating with municipalities in Dar es Salaam to determine the most effective strategies for handling municipal waste.

We exceed environmental regulations and are fully committed to reducing CO2 emissions. In 2024, we consumed over 53,000 tons of biomass, saving more than 44,520,000 metric tons of CO2 annually. Additionally, we managed to substitute about 20% of our gas usage with biomass. We also produce sustainable cement products using alternative raw materials, to further enhance our commitment to environmental stewardship.

We are currently in the process of erecting a 15MW solar plant, this investment aims to significantly reduce carbon emissions and promote the use of renewable energy sources.

TPCPLC is fully committed to enhancing the carbon footprint and reduce CO2 emission



## Corporate Social Responsibility (CSR)

Twiga cement has continued to support non-profit organizations, schools and government institutions working to advance education, protect the environment, and strengthen communities around the country. Support in the form of cement and expertise was also given to various schools and institutions within the country.

We donate cement for community projects, promote recycling of cement bags, and invest in youth development through career training and technical skills programs. We support orphanages, drug rehabilitation centres, and educational institutions by providing essentials, building materials, and mentorship.





## Health and Safety

At TPCPLC, Occupational Health and Safety (OH&S) is our top priority, consisting of the zero-harm goal through effective preventive measures, continuous risk assessments, and proactive health initiatives.

We integrate safety into our daily plant operations, ensuring that risk assessments are performed regularly. Our Occupational Safety Department plays a crucial role in managing the safety of our employees and contractors, plant facilities and construction sites, as well as logistics and transport operations.

Workplace inspections and audits are conducted to maintain compliance

with both internal and external safety regulations. Should any shortcomings be identified, corrective actions are implemented immediately to address and rectify the issues.

Our dedication to OH&S is unwavering, and we will continue to prioritize the well-being of our workforce and the integrity of our operations. By fostering a culture of safety, we aim to achieve our zero-harm goal and ensure a safe and healthy working environment for all.

In the mid-July 2024, we had a tragic fatality of one contractor, this has been a deeply impactful experience for all of us at TPCPLC. Despite the great achievement of previous years, 2024 was challenging in

Health and Safety despite our strong commitments.

These incidents have further solidified our commitment to maintaining a safe and healthy working environment for everyone. In response, we have rigorously reviewed and enhanced all safety measures to prevent such incidents in the future.

I extend my sincere gratitude to all our employees and contractors for their dedicated vigilance and adherence to our safety policies and procedures. Your commitment and dedication to safety are crucial, and together, we will continue to strive for excellence in creating a safer workplace for all.

## Future Ahead

The cement industry will continue to face intense competition due to idle cement capacities above cement demand. Despite these challenges, TPCPLC remains optimistic in its commitment to overcome these challenges through an active market strategy and cost optimizations.

Aligned with our Group's CO2 roadmap, we are dedicated to improving our environmental footprint. We will continue to support Tanzania's growth by developing high-quality products that are accessible across all regions, despite inflationary pressures. Our focus on sustainability not only benefits the environment but also strengthens our market position.

To maintain our competitive edge, we will prioritize production cost reduction initiatives and process improvement programs, maximizing our capacities. Ensuring the health and safety of our teams remains our top priority. TPCPLC will uphold the highest industry standards, ensuring our customers and stakeholders reap the benefits of our efforts and innovations.

We are dedicated to delivering quality products and value-added services that meet the evolving needs of our customers. We are deeply grateful for the unwavering

support of our stakeholders throughout the year, and we are confident that TPCPLC will deliver substantial value to our shareholders and drive sustainable growth in the coming years.

The Tanzanian cement industry faces an oversupply challenge due to new production capacities exceeding market demand. TPCPLC remains confident in its ability to navigate this competitive landscape. We will achieve this through strategic efficient resource allocation and cost optimization initiatives. This will strengthen our competitive edge and allow us to offer accessible, high-quality products.

Furthermore, TPCPLC remains committed to environmental responsibility, aligning with our Group's CO2 roadmap for emission reduction. We believe that sustainability is not just an environmental imperative, but also a strategic advantage. By focusing on alternative fuels and innovative production processes, we will minimize our environmental footprint while maintaining product quality and affordability.

Safety remains our top priority. We will continue to uphold the highest industry standards to ensure a safe working environment for all employees and contractors.

## Commitment to Our Shareholders

At TPCPLC, we remain committed to our strong dividend policy. As such, we are proposing to distribute a dividend of TZS 600 per share at the upcoming Annual General Meeting. In 2023, we spent around TZS 70 billion on dividends, reflecting our payback policy and commitment to shareholder value.

Looking ahead, we remain focused on delivering strong financial results while driving sustainable growth. We believe this combination will create significant value for our shareholders over the long term. We are grateful for your continued support and look forward to partnering with you for TPCPLC's future success.



Alfonso Velez

**Managing Director**



## 02

**Taarifa ya  
Mkurugenzi  
Mtendaji**

Katika mwaka wa 2024, TPCPLC iliweza kupata Faida ya Uendeshaji ya TZS bilioni 79.3, faida baada ya kodi ikiwa TZS bilioni 56.7. Mapato kwa kila hisa yalikuwa ni TZS 315 kwa kipindi hicho



*Alfonso Velez*  
Mkurugenzi Mtendaji



## “Kuongoza Njia katika Uendelevu na Ukuaji Imara.”

## TZS bilioni 124

Mtirikia wa fedha kutoka shughuli za uendeshaji

### Ndugu wanahisa,

Mwaka 2024 umekuwa wa kipekee kwa TPCPLC, ukionyesha uthabiti na ubunifu. Licha ya mazingira magumu ya soko, hasa kutokana na mvua, ukosefu wa miradi katika kazi za umma, na ushindani mkali, tumepiga hatua kubwa katika utendaji wa kifedha na miradi ya uendelevu.

Katika mwaka wa 2024, uzalishaji na mauzo ya saruji yaliongezeka kidogo, ingawa bei ziliathiriwa na ushindani wa soko. Uzalishaji wa klinika ulipungua kwa asilimia 1.4% ikilinganishwa na mwaka uliopita. Hata hivyo, bei za umeme mwaka 2024 zilibaki kuwa thabiti mwaka huu wa 2024. Gesi iliathirika kidogo katika nusu ya pili ya mwaka, kutokana na taratibu za kukamilika kwa mkataba wa gesi. Tumeendelea kuboresha kiwango cha matumizi ya nishati mbadala kwa kutumia kiasi kikubwa zaidi cha biomasia, jambo ambalo limetupa nafasi bora zaidi katika safari ya kuelekea kwenye uendelevu.

Tumefanya maboresho katika mchanganyiko wa malighafi yetu na kuboresha matumizi ya klinika tunapojitahidi kuzalisha saruji rafiki wa mazingira, saruji yenye ubora wa hali ya juu. Pia tumefanikiwa kupunguza zaidi utoaji wa hewa ya ukaa (CO<sub>2</sub>) ikilinganishwa na mwaka uliopita.

Msingi wetu imara wa wateja na mbinu yetu inayomlenga mteja ni nguzo muhimu ya mkakati wetu, hii inawezesha kufikia malengo yetu ya kibiashara yenye malengo makubwa katika maeneo yote ya Tanzania na mauzo ya nje.

Tuna imani kubwa kwa timu zetu, bidhaa na huduma zetu, ili kwa pamoja na wateja wetu tupate suluhisho bora katika mazingira yenye ushindani mkubwa kuhakikisha uundaji wa thamani endelevu kwa wadau wetu.

### Utendaji wa Mauzo

Katika mwaka wa 2024, mapato ya saruji ya TPCPLC yalipungua kwa 8% ikilinganishwa na mwaka wa 2023, kutokana na kushuka kwa bei na kukamilika kwa miradi ya miundambinu ya Serikali, ambapo Twiga iliichukua jukumu muhimu kama msambazaji wa saruji.

Timu ya mauzo ya Twiga inashirikiana kwa karibu na wasambazaji wetu ili kuweka bidhaa zetu katika kila sehemu ya soko ndani ya Tanzania na nchi jirani. Kuingia kwa washindani wapya sokoni kumeongeza ushindani zaidi, lakini TPCPLC imejiweka katika nafasi nzuri kuendeleza na kuimarisha nafasi yake thabiti sokoni. Kusafirisha bidhaa kwenda nchi jirani kutaendelea kuwa jambo la msingi katika kuendeleza ushirikiano wa kikanda ndani ya Jumuiya ya Afrika Mashariki.



### Utendaji wa Uendeshaji

Katika mwaka wa 2024, TPCPLC ilibaki kwenye nafasi ile ile imara katika uzalishaji wa klinika, pia, uzalishaji wa saruji uliongezeka kwa kiasi kidogo.

Zaidi ya hayo, vishirika vingi muhimu vya uendeshaji kwa mwaka huu vinaonyesha mwenendo mzuri katika ubora na utendaji wa kiwanda kwa ujumla, na kuthibitisha tena hitaji la kuzingatia kuboresha ufanisi na kupunguza gharama za uzalishaji ili kubaki na ushindani.

Viwango na tija katika uendeshaji wa matanuru na mitambo ya kusoga saruji vimeboreshwa, sambamba na ufanisi kwenye matumizi ya nishati ya mafuta. Utekelezaji wa mfumo wa wataalamu na ufuatiliaji bora wa umeme unachangia kuepuka masaa ya kukimbia bure na kuboresha utendaji wa vifaa vyetu, kuongeza matumizi ya uwezo ni kipaumbele cha juu kwa timu yetu ya kiufundi.

Jitihada zilizofanywa kwa muda wote wa mwaka katika upande wa uendeshaji ili kuongeza uzalishaji wa klinika, pamoja na kuzingatia uzalishaji wa bidhaa za saruji zenye ubora wa hali ya juu, zimeiwesha TPCPLC kuendelea kuboresha matokeo ya uendeshaji.



## Ufanisi wa Fedha

Katika mwaka wa 2024, TPCPLC iliweza kupata Faida ya Uendeshaji ya TZS bilioni 79.3, faida baada ya kodhi ikiwa TZS bilioni 56.7. Mapato kwa kila hisa yalikuwa ni TZS 293.5 kwa kipindi hicho.

Mtiririko wa fedha kutoka shughuli za uendeshaji uliongezeka hadi TZS bilioni 124 kutoka TZS bilioni 96, ongezeko la asilimia 29% ikilinganishwa na mwaka uliopita. Ukuaji huu umetokana kwa kiasi kikubwa na maboresho katika usimamizi wa mtaji kazi halisi.

Mizania yetu inabakia imara na yenye afya hasa kutokana na ongezeko la mali za sasa, hususan pesa taslimu na sawa na pesa taslimu, na kufanya iwezekane kutoa gawio la juu, thabiti na linalotarajiwa kwa wanahisa wetu kwa mwaka mwingine.

## Kidijitali

Mwelekeo wetu wa kidijitali unabaki kuwa muhimu, kama njia ya kuongeza tija yetu kwa ujumla na kuhudumia wateja wetu na wadau wetu kwa ufanisi zaidi. Katika mwaka wa 2024, kidijitali kumeendelea kutusaidia kuboresha teknolojia mpya ambazo zingeboresha mchanganyiko wa malighafi, hivyo kupunguza uzalishaji wa hewa ya ukaa na kuboresha matumizi ya nishati, pamoja na kuboresha utendaji wa jumla wa wafanyakazi wetu katika idara mbalimbali.

Kidijitali inaendelea kuwa moja ya nguzo kuu katika kuunda fursa zaidi ndani ya mazingira yetu ya biashara yanayobadilika. Kuitumia zaidi kutoka katika idara za uzalishaji na matengenezo hadi katika utawala na mauzo kutahakikisha ufanisi bora, ukuaji endelevu, na udhibiti wa gharaka.

## Mkakati wetu wa ESG katika Vitendo Mazingira

TPCPLC ilitekeleza programu mbalimbali za mazingira kulingana na mpango wetu wa usimamizi wa mazingira. Programu kadhaa za mafunzo kuhusu mazingira zilifanikishwa na kampuni wakati wa mwaka, zilizofanyika katika kiwanda chetu cha Wazo, washiriki walikuwa wadau kutoka mashirika yasiyo ya kiserikali (NGOs), Mamlaka za serikali za mitaa, vyyuo vikuu, taasisi za serikali na balozi za kidiplomasia, taasisi za elimu ya msingi, sekondari na elimu ya juu, wafanyakazi na wakandarasi wa TPCPLC.

Mafunzo haya au warsha zilikuwa kuhusu urekebishaji wa mawe ya kuchimba na kuhamasisha dhana ya misitu ya mijini katika viwanda vya saruji. Katika mwaka 2024, mbegu 23,548 za miti zilitolewa kwa shughuli za upandaji miti kutoka kwenye shamba letu la miche, na zaidi ya miti 27,303 yenye thamani ilipandwa kwa ajili ya urekebishaji wa mawe ya kuchimba ndani ya kiwanda.

Juhudi za TPCPLC katika usimamizi wa mazingira zimejikita kwenye matumizi ya nishati mbadala (mbadala wa nishati) na kupunguza uzalishaji wa hewa ya ukaa (CO<sub>2</sub>). Kwa sasa, tunashirikiana na halmashauri za jiji la Dar es Salaam ili kubaini mikakati bora zaidi ya kushughulikia taka za manispaa.

Tunazidi viwango vya kisheria vya kimazingira na tumejizatiti kikamilifu katika kupunguza uzalishaji wa CO<sub>2</sub>. Mwaka 2024, tulitumia zaidi ya tani 53,000 za (nishati mbadala) biomasi, na kuokoa zaidi ya tani 44,520,000 za CO<sub>2</sub> kwa mwaka. Aidha, tuliweza kuchukua nafasi ya takribani asilimia 20 ya matumizi ya gesi kwa kutumia biomasi. Pia tunazalisha

bidhaa endelevu za saruji tukitumia malighafi mbadala, kama sehemu ya kuimarisha dhamira yetu ya utunzaji wa mazingira.

Kwa sasa tuko katika hatua ya kujenga kituo cha umeme wa jua chenye uwezo wa megawati 15. Uwekezaji huu unalenga kupunguza kwa kiasi kikubwa utoaji wa hewa ya ukaa na kuhamasisha matumizi ya vyanzo vya nishati vinavyoweza kurejesheka.

TPCPLC imejikita kikamilifu katika kuboresha athari zake za kimazingira na kupunguza uzalishaji wa hewa ya ukaa (CO<sub>2</sub>).

## Majukumu ya Jamii ya Kampuni (CSR)



Twiga Cement imeendelea kusaidia mashirika yasiyo ya kiserikali, shule, na taasisi za serikali zinazojitahidi kuendeleza elimu, kulinda mazingira, na kuimarisha jamii mbalimbali kote nchini. Msaada kwa njia ya saruji na utaalamu pia umetolewa kwa shule na taasisi mbalimbali ndani ya nchi.

Tunatoa saruji kwa ajili ya miradi ya kijamii, tunahamasisha urejelezaji wa mifuko ya saruji, na tunawezeza katika maendeleo ya vijana kupitia mafunzo ya kazi na programu za ujuzi wa kiufundi. Pia tunasaidia vituo vya kulelea yatima, vituo vya kuwasaidia waathirika wa madawa ya kulevya, na taasisi za elimu kwa kuwapatia mahitaji muhimu, vifaa vya ujenzi, na ushauri wa kitaalamu.





## Afya na Usalama

Afya na Usalama Kazini (OH&S) ni kipaumbele chetu kikuu hapa TPCPLC, tukiwa na lengo la "kutokuwa na madhara yoyote" kupitia hatua madhubuti za kinga, tathmini endelevu za hatari, na mipango ya afya ya kinga inayotekelezwa kwa ufanisi.

Tumeunganisha usalama katika shughuli zetu za kila siku kiwandani, kuhakikisha tathmini za hatari zinafanyika kwa ukawaida. Idara yetu ya Usalama Kazini ina jukumu muhimu katika kusimamia usalama wa wafanyakazi wetu, wakandarasi, majengo ya kiwanda, maeneo ya ujenzi, pamoja na shughuli za usafirishaji na usambazaji.

Ukaguzi wa mahali pa kazi na ukaguzi wa usalama hufanyika ili kuhakikisha tunazingatia sheria

na viwango vya usalama vya ndani na nje. Endapo kutabainika mapungufu yoyote, hatua za marekebisha huchukuliwa mara moja ili kushughulikia na kurekebisha hali hiyo.

Dhamira yetu kwa Afya na Usalama Kazini haibadiliki, na tutaendelea kuweka mbele ustawi wa wafanyakazi wetu na uimara wa shughuli zetu. Kwa kukua utamaduni wa usalama, tunalenga kufanikisha lengo letu la kutokuwa na madhara yoyote kazini na kuhakikisha mazingira salama na yenye afya kwa wote.

Mnamo katikati ya mwezi Julai 2024, tulipata pigo kubwa kwa kumpoteza mkandarasi mmoja kwa ajali kazini, tukio ambalo limegusa kwa kina familia ya TPCPLC. Licha ya mafanikio makubwa ya miaka ya nyuma, mwaka 2024 ulikuwa mgumu

kwa upande wa Afya na Usalama, licha ya dhamira yetu kubwa katika eneo hili.

Matukio haya yamezidi kuimarisha azma yetu ya kuhakikisha mazingira ya kazi salama na yenye afya kwa kila mmoja. Kama mwanachama, tumefanya mapitio makali na kuboresha hatua zote za usalama ili kuzuia matukio kama haya siku zijazo.

Ninatoa shukrani za dhiti kwa wafanyakazi na wakandarasi wetu wote kwa uangalifu wao wa hali ya juu na kwa kufuata kwa bidii sera na taratibu zetu za usalama. Uaminifu na kujitolea kwenu kwa usalama ni muhimu sana, na kwa pamoja, tutaendelea kujitahidi kuunda mazingira bora na salama ya kazi kwa kila mmoja.

## Matarajio

Sekta ya saruji itaendelea kukumbana na ushindani mkali kutokana na uwezo wa uzalishaji wa saruji kuwa mkubwa uliozidi mahitaji ya soko. Licha ya changamoto hizi, TPCPLC inaendelea kuwa na matumaini na imejizatiti kukabiliana nazo kupitia mikakati ya soko inayotekelezwa kwa ufanisi na hatua za kupunguza gharama.

Kwa kuzingatia ramani ya njia ya kupunguza hewa ya ukaa (CO<sub>2</sub>) ya kundi letu, tumejipanga kuboresha athari zetu kwa mazingira. Tutaendelea kuunga mkono ukuaji wa Tanzania kwa kuendeleza bidhaa bora za saruji zinazopatikana katika maeneo yote ya nchi, licha ya shinikizo la mfumuko wa bei. Mtazama wetu wa uendelevu haunufaishi mazingira tu bali pia huimarisha nafasi yetu sokoni.

Ili kudumisha ushindani wetu, tutaupa kipaumbele mipango ya kupunguza gharama za uzalishaji na kuboresha michakato ya kiwanda, tukitumia kikamilifu uwezo wetu wa uzalishaji. Kuhakikisha afya na usalama wa timu zetu kutaendelea kuwa kipaumbele chetu kikuu. TPCPLC itaendelea kuzingatia viwango vya juu kabisa vya sekta, kuhakikisha wateja wetu na wadau wananufaika na jitihada na ubunifu wetu.

Tumejikita katika kutoa bidhaa bora na huduma zenye thamani ya ziada zinazokidhi mahitaji yanayobadilika ya

wateja wetu. Tunatoa shukrani za dhiti kwa wadau wetu wote kwa msaada wao mkubwa katika kipindi chote cha mwaka, na tuna imani kwamba TPCPLC itatoa thamani kubwa kwa wanahisa wake na kuendeleza ukuaji endelevu katika miaka ijayo.

Sekta ya saruji nchini Tanzania inakumbwa na changamoto ya ziada ya uzalishaji kutokana na uwezo mpya wa uzalishaji kuzidi mahitaji ya soko. TPCPLC inaendelea kuwa na imani na uwezo wake wa kuhimili ushindani huu mkubwa. Tutaanikisha hili kupitia upangaji mzuri wa rasilimali na mipango madhubuti ya kupunguza gharama. Hatua hizi zitaimarisha ushindani wetu na kutuwezesha kutoa bidhaa bora na zinazopatikana kwa urahisi.

Zaidi ya hayo, TPCPLC imejizatiti kwa dhiti katika uwajibikaji wa kimazingira, kwa kuzingatia ramani ya kundi letu ya kupunguza uzalishaji wa hewa ya ukaa (CO<sub>2</sub>). Tunaamini kuwa uendelevu si jukumu la mazingira pekee bali pia ni faida ya kimkakati. Kwa kuweka mkazo kwenye matumizi ya nishati mbadala na michakato bunifu ya uzalishaji, tutaweza kupunguza athari kwa mazingira huku tukidumisha ubora wa bidhaa na unafuu wa bei.

Usalama utaendelea kuwa kipaumbele chetu kikuu. Tutaendelea kuzingatia viwango vya juu vya sekta ili kuhakikisha mazingira salama ya kazi kwa wafanyakazi na wakandarasi wetu wote.

## Dhamira yetu kwa wanahisa wetu

TPCPLC, tutaendelea kuzingatia sera yetu imara ya gawio la faida. Kwa hivyo, tunapendekeza kugawa gawio la TZS 600 kwa kila hisa katika Mkutano Mkuu ujao wa wanahisa. Mwaka wa 2025, tulitumia takriban TZS bilioni 70 kwa gawio la faida, ikionyesha sera yetu ya kurudisha fedha na dhamira yetu ya kuongeza thamani kwa wanahisa.

Tukiangazia siku zijazo, tutaendelea kujikita katika kuleta matokeo mazuri ya kifedha huku tukisukuma mbele ukuaji endelevu. Tunaamini kuwa mchanganyiko huu utaleta thamani kubwa kwa wanahisa wetu kwa muda mrefu. Tunashukuru kwa msaada wenu endelevu na tunatazamia kushirikiana nanyi katika kufanikisha mafanikio ya baadaye ya TPCPLC.



Alfonso Velez

**Mkurugenzi Mtendaji**







## 03

## Sustainability

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## Foreword

As the Managing Director of Tanzania Portland Cement Public Limited Company (TPCPLC), I am pleased to present this report, which reflects our steadfast commitment to sustainability and our progress toward a greener future in the cement industry. Today, environmental awareness is more critical than ever, and the cement sector faces a major challenge in balancing economic growth with ecological responsibility.

At TPCPLC, we acknowledge the urgency of change and have made sustainability a core part of our business strategy. Cement production has traditionally been linked to high carbon emissions and environmental degradation, but we refuse to accept this as an unchangeable reality. Instead, we have committed ourselves to transforming our operations to minimize our ecological footprint while maximizing our positive contributions to society.

Our dedication to sustainability is deeply embedded in our operations. From investing in advanced technologies to lower emissions and energy consumption to implementing robust environmental management systems across our plants, we are continuously working on innovative solutions for more sustainable cement production. However, our commitment extends beyond operational improvements. We believe in fostering strong partnerships with stakeholders— including local communities, governments, and environmental organizations— to drive meaningful and lasting change.

By working together, we can shape a future where economic development and environmental responsibility coexist in harmony.



**Mr. Alfonso Velez**  
Managing Director





## Scope of our Sustainability Report

This report outlines Tanzania Portland Cement Public Limited Company's (TPCPLC) sustainability efforts and performance for 2024. It showcases the company's responsible approach in fostering a positive Environmental, Social, and Governance (ESG) impact within the cement industry. Additionally, the report highlights how TPCPLC has addressed risks, identified opportunities, and assessed areas requiring improvement. Through this publication, the company reaffirms its commitment to promoting sustainability within the cement sector, aligning with the United Nations Sustainable Development Goals (SDGs) for 2030. Furthermore, the report follows the Global Reporting Initiative (GRI) Standards as the foundation for disclosing sustainability-related information.

### Company Overview

#### Our History

Tanzania Portland Cement Public Limited Company (TPCPLC), based in Wazo Hill, Dar es Salaam, is one of Tanzania's largest and oldest cement manufacturers. Listed on the Dar es Salaam Stock Exchange (DSE), the company has approximately 179.9 million shares. TPCPLC produces five cement varieties: Twiga Extra, Twiga Ordinary (OPC), Twiga Super, Twiga Plus, and Twiga Mega.

Established in 1966, the company has remained dedicated to cement production and distribution. It operates as a public limited company under the Tanzania Companies Act, 2002. The first bag of cement was produced in mid-1966, and in 1978, the company was nationalized. It was later privatized in 1998, with SCANCEM acquiring 69.25% of the shares while 30.75% remained with the public. SCANCEM International DA, a subsidiary of Heidelberg Materials—listed on the Frankfurt Stock Exchange—fully owns SCANCEM.



### Key Milestones

- 1959 Incorporation year (incorporation number 2325)
- 1966 First Cement rolled out
- 1978 Nationalized
- 1998 Privatized
- 2009 Production capacity of 1.4mt
- 2018-change of name from TPCL to TPCPLC
- Present Production capacity of around 2mt

# 1998

SCANCEM acquiring 69.25% of the shares while 30.75% remained with the public



## Key Impact



## Sustainable Revenue

**375.75B** TSH 

## Seedlings Raised

**27,303** 

## Taxes &amp; Duties

**80,61B** TSH 

## CSR Spending

**79.12M** TSH 
CO<sub>2</sub> Emissions
**502.02** kg/ton  
\*of Cement

## Wages &amp; Other Compensations


**24.65B** TSH

## Profit for the Year

**56.67B** TSH 

## Trees Donated

**23,548** 

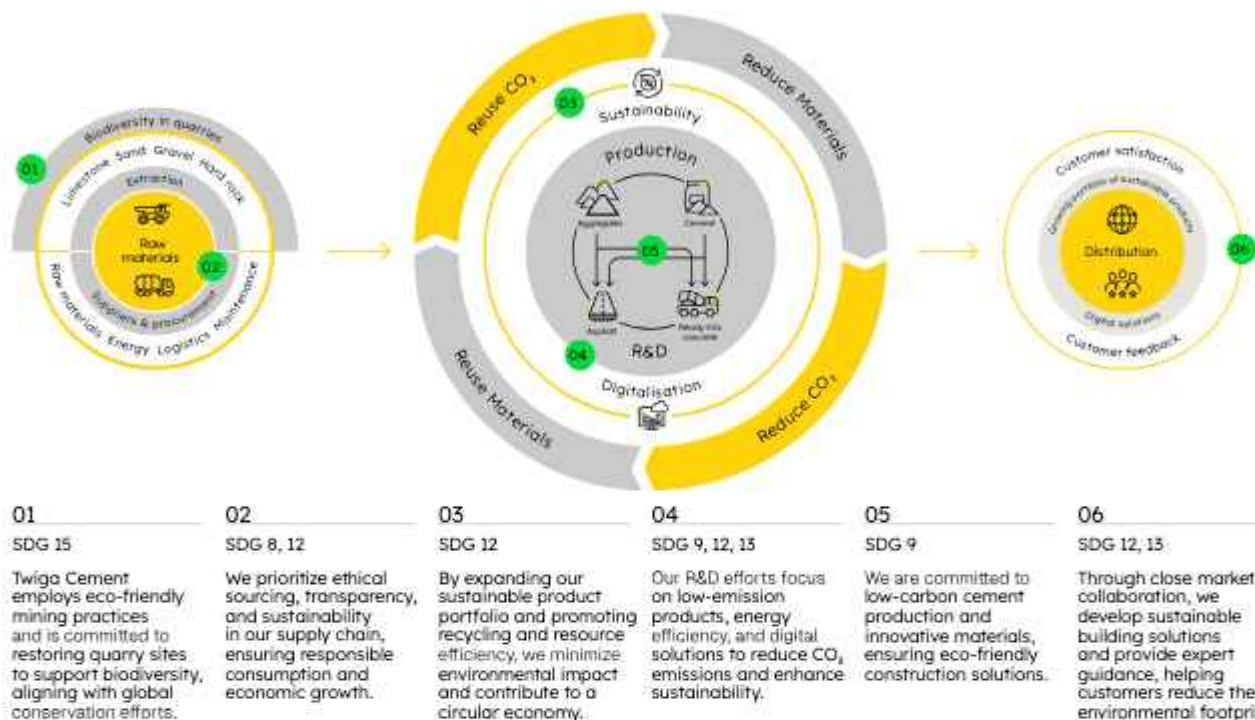
## Levies &amp; Royalties

**3.28B** TSH 






## Value Chain



### Continuous improvement program

TPCPLC is committed to continuously improving its operations through:

- Reducing CO<sub>2</sub> emissions
- Developing innovative cement products
- Enhancing recycling efforts



Our goal is to provide customers with cutting edge, environmentally friendly cement products while minimizing carbon emissions and optimizing energy efficiency.



### Procurement

- Raw materials
- Spare parts
- Energy Logistics



A significant portion of the company's procurement—about 77%—comes from local suppliers in Tanzania, while the remaining 23% is sourced internationally.

### Vertical Integration

As a leading cement manufacturer, our core business revolves around cement production and distribution within and beyond Tanzania. Our products are used in a variety of construction projects, including residential, commercial, and infrastructure developments.



Raw Materials



Processing into core products



Customers/Markets



## Strategy and Management

### Vision and mission

Our goal is to establish a strong market presence by consistently delivering high-quality products and services that meet required standards. We are committed to continuously improving our services to exceed customer expectations and lead the cement manufacturing industry.

To ensure long-term growth and operational sustainability, we integrate environmental conservation, community engagement, and employee well-being into our performance framework. Health and safety remain a priority for both employees and contractors, forming the foundation of our operations.

### Our vision

To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.

### Our mission

To satisfy customers by providing them with a high quality product and service at an affordable price.



### Quality statement

Our success is directly linked to the success of our customers. At Tanzania Portland Cement Public Limited Company (TPCPLC), we contribute to our customers' achievements by providing them with the high-quality products they need. Customer satisfaction remains a top priority, and we are committed to maintaining product quality within the required standards. We continuously enhance our services to align with customer expectations. Every employee is dedicated to ensuring that both TPCPLC and Twiga Cement are recognized for superior cement quality, reinforcing our position as a market leader.



### KEY CHALLENGES

TPCPLC faces several challenges, including:

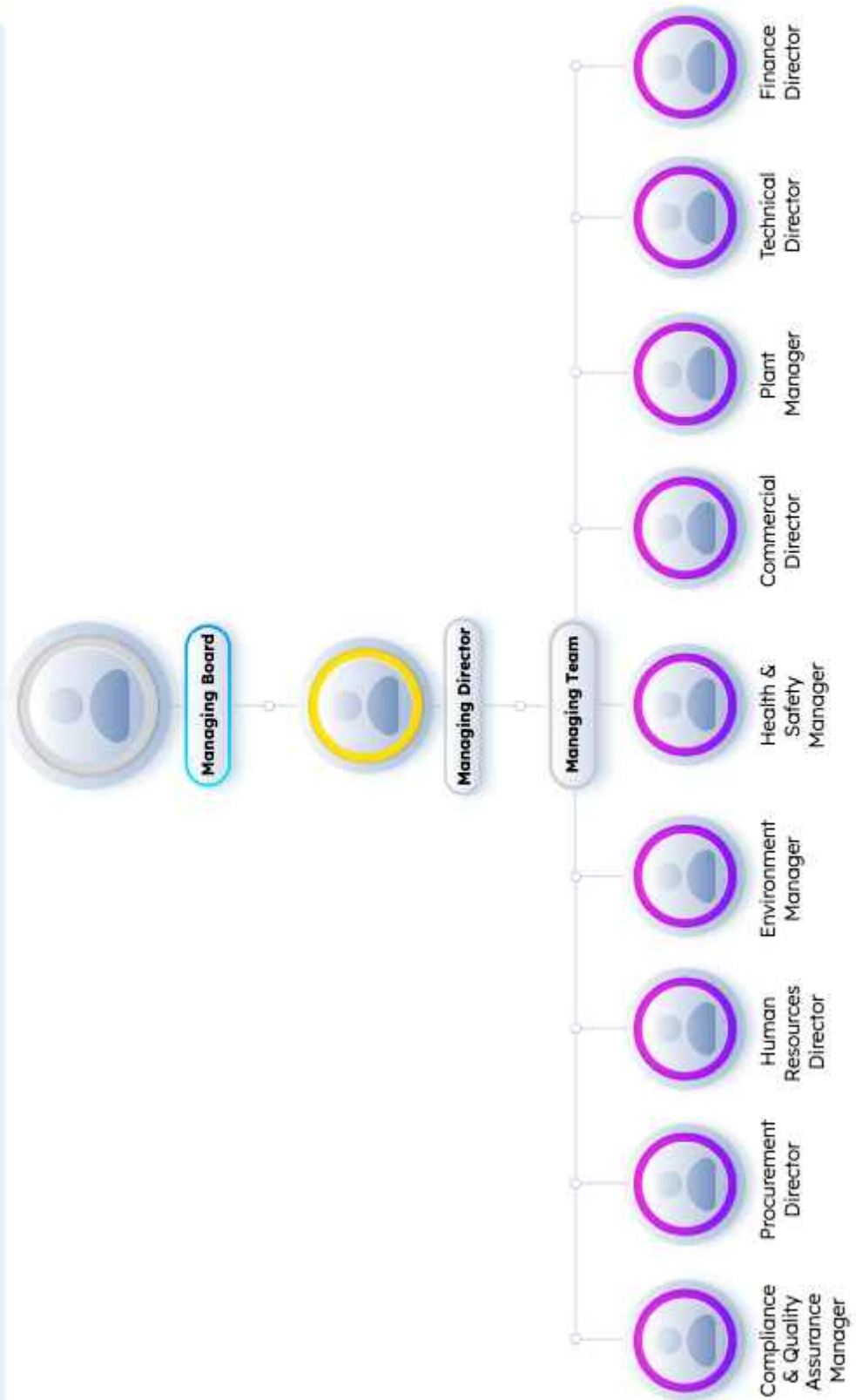
- Securing raw materials while ensuring resource conservation
- Maintaining high health and safety standards
- Promoting nature and species conservation
- Managing energy consumption and reducing emissions



## Responsibility & Organizational structure

Our commitment to sustainability is driven by a dedicated team overseeing the 2030 Sustainability Agenda, Environmental, Social, and Governance (ESG) aspects across all aspects of our operations. The Board, management, and employees form the backbone of our organizational structure, working together to uphold a continuous improvement process aligned with our sustainability strategy. Clear roles, monitoring mechanisms, and reporting structures are established to ensure compliance, occupational health and safety, and sustainability goals.

Occupational health and safety are core principles at TPCPLC, with accountability extending across all management levels. The occupational safety division operates under the Managing Director, with the Occupational Health and Safety Manager overseeing day-to-day activities and directly reporting to the Managing Director. Furthermore, employees, suppliers, contractors, customers, and visitors all play a role in adhering to safety regulations.





## Innovation & Product Development

As part of Heidelberg materials, TPCPLC is committed to developing carbon-neutral products. Leveraging extensive research and development at the Group level and national levels, we aim to reduce CO<sub>2</sub> emissions while optimizing energy efficiency. Innovation and process refinement are key strategies for achieving minimal environmental impact and cost efficiency.

### Our Sustainable Cement Products

TPCPLC produces several sustainable cements designed to minimize environmental impact while meeting the growing demand for eco-friendly construction materials. In line with our 2030 Sustainability Commitments, we have invested significantly in researching low-carbon production technologies and expanding our portfolio of environmentally responsible cement products. By incorporating alternative raw materials such as additives and optimizing production processes, we ensure both sustainability and high quality.

Our range includes a variety of cement types, such as Twiga Plus, Twiga Extra, Twiga Super, and Twiga Mega. These products are made from a mix of locally sourced materials—such as limestone, clinker, and pozzolana—along with imported components like slag. The blending process adheres to TZA 727:2002 standards, which align with EN 197-1, ensuring that our products meet rigorous quality and sustainability criteria.

A key aspect of our commitment to sustainability is reducing clinker content in cement production. Lowering clinker usage helps reduce CO<sub>2</sub> emissions, making our products even more environmentally friendly. Among our most sustainable options, CEM II/B-M (Twiga Plus) incorporates pozzolana, and CEM III/B-SR (Twiga Mega) uses slag, further enhancing the sustainability of our cement offerings.



### Focus on Customers

TPCPLC is dedicated to delivering high-quality products and services to its customers. Our team remains committed to maintaining a competitive edge at Wazo Hill and in the broader market, leveraging a robust distribution network that ensures our products reach even the most remote areas. Additionally, our company exports cement products to neighboring East African countries.

Beyond delivering exceptional products, we focus on understanding customer needs, providing expert guidance on product application, and offering high-quality, customized solutions tailored to various environments. Our goal is to create a customer experience that extends beyond the products themselves, fostering long-term partnerships built on trust and satisfaction.

### Machinery Technological Improvements

TPCPLC continually invests in modern technology to enhance overall plant capacity, ensuring increased production efficiency, improved product quality, reduced energy consumption, and a minimized environmental footprint. Notably, TPCPLC is the only cement plant in Tanzania that prioritizes natural gas over coal for clinker production—despite the higher costs—due to its cleaner environmental impact.



### Key Initiatives In 2023-2024

- Increased Alternative Fuels Usage – Achieved a 19.6% alternative fuel substitution rate in 2024.
- Plastic Waste Utilization – Installed a shredder machine for plastic waste, which is processed into alternative fuel for kilns, reducing reliance on gas and contributing to improved sanitation in Dar es Salaam.
- Use of Biomass Energy – Sourced locally, alternative fuel inputs include rice husks, cashew nut shells, sawdust, wood chips, palm kernels, coconut shells, and plastic waste, complementing the natural gas used in clinker production.
- Calcined Clay Dosing – Introduced a 2% dosing system in the cooler towards the end of 2024, with a target of 2.5 % in 2025.
- Production of CEM III/B-SR 42.5N Slag Cement – A sustainable cement option with a reduced carbon footprint.
- Rehabilitation of Kiln 3 Alternative Fuel Dosage System – Improving efficiency in alternative fuel usage.

### Digitalizations

To enhance customer service and operational efficiency, TPCPLC is embracing digital transformation across its entire value chain—including quarrying, production, procurement, and logistics. Our digital initiatives include:

- Customer Portal – A platform for streamlined communication and order management.
- E-Procurement System – Enhancing supplier engagement and efficiency.
- Logistics Management System – Optimizing transportation and delivery processes



### Use of Recycled Materials

As part of our sustainability commitment, TPCPLC has established a plant dedicated to utilizing biomass and recycled materials as alternative energy sources for production. This initiative helps reduce dependence on fossil fuels, contributing to cleaner and more sustainable cement manufacturing processes.

Plastic bottles, boxes, and all other kinds of plastic waste generated in the plant are collected, and afterward, the plastics are shredded in our shredder and used as a source of energy in our kilns to substitute gas during clinker burning.



# Sustainability



## Sustainability Strategy

Twiga Cement's sustainability strategy is built around reducing our environmental impacts, enhancing circularity, and creating long-term value for the communities. The company focuses on lowering CO2 emissions by adopting cleaner fuels such as biomass, upgrading dust control systems using bag filters. Quarry rehabilitation, tree planting, and biodiversity restoration demonstrate Twiga's commitment to nature preservation. The company integrates occupational health and safety into daily operations, ensuring a safe workplace with strong social dialogue. It supports surrounding communities with clean water and infrastructure developments and engages in environmental awareness campaigns. Our Sustainability Commitments 2030 guide everything we do, built around four pillars: Net Zero, Circular & Resilient, Safe & Inclusive, and Nature Positive.

## Sustainability Office

Our Sustainability Office team is responsible for driving the company environmental, Social, and governance agenda by developing and implementing strategies that align with both global standards and local regulations, by monitoring and reporting key sustainability indicators such as CO2 emissions, energy use, water consumption, waste management, track our progress using key sustainability indicators, ensuring transparency and accountability.



“With our sustainability strategy, we take a comprehensive approach to ESG—covering our supply chain and our own operations to drive meaningful change.”



## Sustainable Development Goals

As a leading producer of building materials, we are aware of our responsibility to ensure natural resources are used sustainably. We are committed to efficient, environmentally friendly processes and develop innovative products and solutions. Through our Sustainability Commitments 2030, we are supporting the UN Sustainable Development Goals (SDGs). In doing so, we aim to help tackle social, economic, and environmental challenges at a global level. Our efforts are concentrated on those issues to which we can make a significant contribution as a company. Given our business model, we focus particularly on SDGs 5, 8, 9, 12, 13, and 15.

Recognizing the cement industry's significant contribution to global CO<sub>2</sub> emissions—accounting for approximately 7% of total anthropogenic emissions worldwide—TPCPLC has undertaken numerous initiatives to reduce its environmental impact. By prioritizing clean energy sources, such as biomass and natural gas, we actively contribute to the United Nations Sustainable Development Goals (SDGs).

Although the cement industry intersects with all 17 SDGs, we focus on six core goals



### Achieve Gender equality and empower all Women and Girls

At TPCPLC, gender equity is an important part of the company's sustainability. The company promotes equal opportunities for both men and women in recruitment. We believe that a diverse workforce, supported by a culture of inclusivity and respect, drives innovation and strengthens employee commitment. While the construction and infrastructure sectors have traditionally been male-dominated, we are committed to creating an environment where women have equal opportunities to gain experience and lead. Currently, about 12% of total employees are women. Increasing female representation in leadership is a key focus, and we are working to foster a workplace that values diverse perspectives and ensures fairness in career development.

To achieve this, we are implementing initiatives that support the growth of women in our organization, including mentorship programs, leadership training, and awareness campaigns that promote inclusivity. We are also exploring flexible work models and career development programs to encourage more women to take on senior roles. While we recognize that meaningful change takes time, our goal is to actively create pathways for women to advance within TPCPLC, helping shape the next generation of leaders in our industry.



### Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

We are committed to providing sustainable employment opportunities and fair remuneration to our workforce. With a strong local presence, we prioritize building cooperative relationships with stakeholders and ensuring that our operations contribute to the economic growth of the communities we serve. Given the nature of our business, occupational health and safety are at the core of our corporate culture, including logistics and transport, production, and every aspect of our operations. Safety remains a top priority, and we have implemented strict measures to minimize workplace accidents, intending to significantly reduce our lost-time injury frequency rate (LTIFR) by 2030.

We actively support job creation and engage surrounding communities in our investment projects to ensure inclusive growth. Additionally, our procurement practices are guided by clear sustainability principles, and we continuously evaluate our supply chain to ensure compliance with environmental, social, and governance (ESG) standards. Through these efforts, TPCPLC strives to maintain a responsible and forward-thinking approach to business.





### Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

As a leading cement manufacturer, TPC plc contributes to infrastructure development by supplying high-quality cement used in the construction of facilities such as bridges, houses, roads, etc., therefore supporting economic growth and resilience. The company invests in modern, efficient production technology such as bag filters for dust suppression, alternative fuels, and, in the future, the usage of solar energy are all initiatives towards CO<sub>2</sub> reduction. We prioritize research and development to drive innovation and sustainability in our operations. Our focus is on reducing process- and energy-related CO<sub>2</sub> emissions while ensuring that our building materials contribute to intelligent, resilient, and sustainable infrastructure. We are committed to making our production processes as resource-efficient as possible, aligning with global sustainability goals and industry best practices. These efforts reinforce TPCPLC's dedication to creating high-quality, sustainable solutions for the construction industry.



### Ensure sustainable consumption and Production patterns

We recognize our dependence on natural resources and are committed to minimizing our environmental impact through a robust circularity strategy. Our goal is to reduce the use of primary raw materials by prioritizing recycling, reusing materials such as clinker and raw mill spillages, and extending the lifespan of structures built with our products. By integrating sustainable practices into our operations, we aim to contribute to a more resource-efficient and environmentally responsible construction industry.

We actively promote circular products, expand our recycling initiatives, and increase the use of alternative fuels. Our focus includes reducing our carbon footprint by closing the carbon loop, developing low-clinker cements, and advancing innovative recycling technologies. Through these initiatives, TPCPLC is working to redefine sustainability in construction, ensuring that materials are efficiently repurposed throughout their lifecycle.



### Take urgent action to combat climate change and its impacts

We acknowledge that cement manufacturing is a CO<sub>2</sub>-intensive process, and as an industry leader, we are committed to driving rapid decarbonization. We utilize alternative fuels and calcined clay coming from red soil to significantly reduce emissions and support the transition to net-zero. These initiatives are crucial in ensuring that the cement industry can evolve sustainably while meeting global climate targets.

Our strategy focuses on expanding our portfolio of sustainable products, drastically cutting CO<sub>2</sub> emissions, and proving that large-scale production of net-zero cement is achievable. TPC PLC has set an ambitious target to reduce CO<sub>2</sub> emissions to 422.5 kg per ton of cementitious material by 2030, to achieve net-zero emissions by 2050. Through these initiatives, TPCPLC is actively shaping a more sustainable and resilient built environment.



### Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forest, combat desertification, halt and reverse land degradation, and halt biodiversity loss

Responsible land management is a core pillar of our sustainability strategy, aligning with the global goal of achieving a nature-positive impact. We are committed to environmentally friendly quarrying methods, ensuring that our extraction processes minimize harm to natural ecosystems. Beyond responsible resource extraction, we prioritize the restoration and re-naturalization of quarrying sites to enhance biodiversity and contribute to the health of local environments. At TPC PLC, we have a Quarry rehabilitation and restoration project, where the destroyed land is returned to its natural state by topsoil filling and tree plantation. TPCPLC is committed to maintaining a balance between industrial activity and ecological preservation.



## Sustainability Commitments 2030

The world is in urgent need of smart, sustainable, and resilient infrastructure, buildings, and public spaces. In the face of challenges like climate change and limited resources, the way we produce and use heavy building materials must evolve. At Twiga Cement, we are dedicated to transforming our business to address these challenges, ensuring that social considerations, sustainable governance, and environmental responsibility are at the core of everything we do.

Our Sustainability Commitments 2030 reflect our vision for a future that is not only built on strong foundations but also on sustainability. These commitments focus on key pillars: Net-Zero, Circular & Resilient, Safe & Inclusive, and Nature Positive.

Guided by the United Nations SDGs, our Sustainability Commitments 2030 outline our vision for a future that is:

- Net-Zero – Reducing CO<sub>2</sub> emissions through innovation and alternative fuel usage.
- Safe and Inclusive – Prioritizing employee safety and community well-being.
- Nature-Positive – Promoting biodiversity and responsible resource management.
- Circular and Resilient – Implementing efficient material recycling and waste reduction strategies;

We continue to monitor the progress of our sustainability goals, ensuring that we remain on track to meet our targets. As we close the 2024 financial year, we are proud to share the milestones we have achieved and are committed to driving even greater positive change as we move towards 2030.





## SDGs & Our Pillars



### Building a net-zero future



#### TPC PLC Target 2030

|                                    |                                                                                                           |                                                   |
|------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>CO<sub>2</sub> &amp; Energy</b> | Reduce our net Scope 1 emissions to 422.5 kg per tonne of cementitious material                           | 422.5 kg CO <sub>2</sub> /t cementitious material |
|                                    | Reduce our total CO <sub>2</sub> footprint according to the SBTi 1.5 °C pathway                           |                                                   |
|                                    | Gross Scope 1 (-20 % per tonne of cementitious material vs. 2020)                                         | -20%                                              |
|                                    | Scope 3 (-21% in absolute emissions from purchased cement and clinker vs. 2020)                           | -21%                                              |
| <b>Sustainable Revenue</b>         | Achieve more than 80% of our revenue from sustainable products that are either low-carbon or circular CEM | >80%                                              |



### Building a circular and resilient future



#### TPC PLC Target 2030

|                            |                                                                                                           |      |
|----------------------------|-----------------------------------------------------------------------------------------------------------|------|
| <b>Sustainable Revenue</b> | Achieve more than 80% of our revenue from sustainable products that are either low-carbon or circular CEM | >80% |
|----------------------------|-----------------------------------------------------------------------------------------------------------|------|

1) Calculation is based on retrospectively adjusted baseline for 2020. Heidelberg Materials will review a target adjustment.





## Building a safe and inclusive future



### TPC PLC Target 2030

|                                          |                                                                                                                                            |           |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Diversity, Equity &amp; Inclusion</b> | Ensure that 25% of leadership positions are filled by women                                                                                | 25%       |
| <b>Occupational Health &amp; Safety</b>  | Achieve zero fatalities and reduce lost time injury frequency rate (LTIFR) by 50% compared with 2020                                       | 0<br>-50% |
| <b>Community Engagement</b>              | 100% of our sites have community engagement plans<br>All employees are offered one day per year of paid leave for voluntary community work | 100%      |



## Building a nature positive future



### TPC PLC Target 2030

|                     |                                                                                                        |              |
|---------------------|--------------------------------------------------------------------------------------------------------|--------------|
| <b>Biodiversity</b> | 100% of active quarries contribute to the global goal of nature positive, with 15% space for nature    | 100%         |
| <b>Water</b>        | 100% of sites in water-risk areas implement:<br>CEM: water management plans<br>water recycling systems | 100%<br>100% |



## Stakeholder Engagement

TPC PLC is committed to fostering cooperative relationships and maintaining open, trust-based dialogue with all relevant stakeholders at local, national, and international levels. Engaging with various interest groups allows us to identify critical issues early, gain broader acceptance for our activities, and integrate stakeholder perspectives into strategic decision-making. This engagement is vital given the local focus of our business operations, and we have established structured processes to maintain strong stakeholder relationships.

Effective stakeholder engagement is also crucial for implementing key industrial transformation projects. To ensure the success of the projects, we develop comprehensive strategies to inform and involve stakeholders. Our approach includes targeted communication measures and participation formats designed to facilitate constructive dialogue and long-term cooperation.



### Engagement with local stakeholders

Given the proximity of our quarries and plants to urban and rural communities, TPCPLC actively engages with local residents, government agencies, NGOs, and other organizations. We maintain open channels of communication to keep stakeholders informed about our activities and future developments. Our plant and site management teams are primarily responsible for these engagements, leveraging various communication tools such as:

- Personal interactions
- Community meetings and public forums
- Newsletters and social media updates
- Training sessions, workshops, and awareness programs

We recognize the importance of balancing corporate interests with those of local communities. Common concerns include infrastructure development, environmental impact, employment opportunities, and project expansions. In response, we:

- Address stakeholder inquiries promptly
- Implement structured community engagement plans
- Conduct early-stage consultations for major investment projects
- Establish dedicated contact offices for stakeholder support

We proactively manage concerns related to emissions, noise, and truck traffic, ensuring transparency and mitigating risks through information sharing and collaboration.



### Engagement With Employees & Workplace Safety

At TPCPLC, employee safety is a top priority. We uphold rigorous Occupational Health and Safety (OHS) standards, providing comprehensive training on hazard prevention and risk mitigation. OHS topics are integrated into our regular management meetings, safety discussions, and emergency preparedness drills.

We collaborate with law enforcement agencies to enhance transport safety, conducting routine truck inspections and driver training. Safety Week is a key initiative where we provide hands-on training on workplace safety, traffic management, defensive driving, plant safety, firefighting, and first aid.

### Supplier Relationships

Suppliers are integral to TPCPLC's operations, providing raw materials, services, and essential components. We prioritize sustainability and transparency by implementing:

- Fair and competitive tendering processes
- Supplier engagement forums
- Regular site visits and compliance assessments



## National And International Stakeholder Dialogue

TPCPLC actively participates in industry forums, regulatory discussions, and policy development initiatives. Our affiliation with key industry bodies, such as the Confederation of Tanzania Industries (CTI), enables us to engage in constructive conversations on sectoral challenges and advancements.

We are also involved in broader policy discussions on:

- Industrial decarbonization and net-zero transition
- Carbon pricing frameworks
- Circular economy and sustainable resource management
- Renewable energy adoption and alternative fuel access
- Occupational health and labor regulations

## Partnerships With Government And Regulatory Agencies

TPCPLC collaborates with regulatory bodies to ensure adherence to environmental and safety standards. Through industry associations and public forums, we actively contribute to national economic and industrial policies.

## Collaboration With Policymakers

As a key contributor to Tanzania's economic and social landscape, TPCPLC ensures compliance with tax regulations, invests in infrastructure, and upholds international business standards. We collaborate closely with policymakers to:

- Foster industry development and regulatory compliance
- Advance technological and environmental sustainability initiatives
- Ensure a stable and predictable regulatory environment for long-term growth

## Engagement With Ngos

Transparency is a fundamental principle of TPCPLC's corporate governance. We engage with NGOs on issues related to:

- Education and literacy programs
- Environmental conservation efforts
- Community development and infrastructure projects

Our proactive engagement with NGOs allows us to align our sustainability initiatives with broader societal goals, reinforcing our commitment to responsible business practices.

Through these structured stakeholder engagement strategies, TPCPLC continues to strengthen relationships, foster transparency, and drive sustainable growth in the regions where we operate.

## Community Relations And Corporate Social Responsibility

TPCPLC is dedicated to social welfare initiatives in education, healthcare, infrastructure, and women's empowerment. Our CSR contributions have significantly impacted communities through:

- Educational scholarships and school infrastructure support
- Healthcare initiatives and medical equipment donations
- Investments in road and water infrastructure
- Women and youth empowerment programs



## Stakeholders Overview

| Stakeholder Groups                     | Relevant Topics                                                                                                                                                       | Dialogue Formats                                                                                                                                                        |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                              | Corporate culture and strategy, compliance, occupational health and safety, business performance, Group's brand identity, career development, diversity and inclusion | Virtual and on-site meetings, works meetings, intranet, social networks, in-house magazines, video messages, training, and e-learning                                   |
| Investors and Analysts                 | Business performance, Group strategy, portfolio management, sustainability initiatives, digital transformation, corporate governance                                  | Annual General Meeting, investor conferences, roadshows, one-to-one and group discussions                                                                               |
| Customers                              | Information on products and solutions, certifications, sustainable product offerings, product quality, customer data privacy, after-sales support                     | Face-to-face meetings, customer events, participation in trade fairs and industry events, digital engagement (e.g., online advisory services), surveys, feedback forums |
| Suppliers                              | Procurement processes, supplier contracts, ethical sourcing, sustainability in the supply chain, compliance, pricing and payment terms                                | Supplier discussions and surveys, supplier days, training on safety and sustainability topics, contract negotiation meetings                                            |
| Local Communities                      | Job creation, corporate social responsibility (CSR) initiatives, infrastructure development, environmental impact management, community welfare programs              | Community meetings, CSR initiatives, newsletters, social media engagement, site visits and open day, establishment of contact points for inquiries and concerns         |
| Non-Governmental Organizations         | Human rights, environmental conservation, workplace safety, ethical business practices, sustainability initiatives                                                    | Panels and discussion events, answering inquiries, partnerships, site visits, joint communication efforts (e.g., sustainability reports, public statements)             |
| Politics and Public Service            | Industry regulations, compliance, taxation policies, environmental and labor laws, economic contribution, sustainable business growth                                 | Government consultations, regulatory discussions, public-private partnerships, participation in industry forums, advocacy efforts                                       |
| Universities and Research Institutions | Research and development (R&D) collaboration, talent pipeline development, innovation in sustainable materials, scholarships, student engagement programs             | Research projects, internships, guest lectures, student trainee programs, academic conferences, industry mentorship initiatives                                         |





## Building a Circular Resilient Future



### CIRCULARITY



Circularity refers to the alignment of material flows with the principles of a circular economy. This means optimizing resource use, minimizing waste, and promoting recycling and reuse within our operations and supply chain.

### WATER CONSERVATION



**80 %**  
of workshop water  
already being  
recycled

### OUR COMMITMENTS & OUR OUTCOMES



Twiga is diverting industrial waste from landfills while reducing CO<sub>2</sub> emissions.



We explore the use of alternative raw materials





# Building A Safe & Inclusive Future



Safe & Inclusive

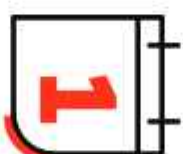
## Our Commitments & Our Outcomes

12.5 %

of leadership positions filled by Women

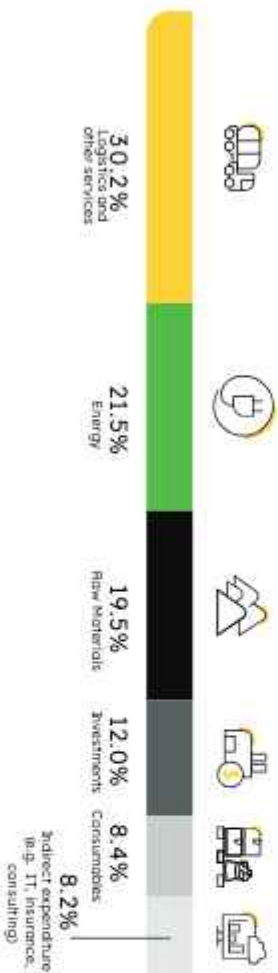
1000

Hours put into volunteering



Fatal Accident  
All of 2024

## Procurement Volume



## SUPPLIERS

77 %  
Essential Materials are Locally Sourced



## Our Awards

Recognizing excellence in sustainability & corporate responsibility TPCPLC's dedication to sustainability and corporate social responsibility has earned significant recognition in 2024



### Dar Es Salaam Stock Exchange (DSE) awards

Under the theme "Embracing Environmental, Social, and Governance (ESG) Principles for Sustainable Capital Markets," TPCPLC was honored for its commitment to sustainable business practices. This award underscores the positive impact of our ESG initiatives and reinforces our leadership in responsible corporate governance



### French-Tanzania Chamber of Commerce recognition

TPCPLC was also acknowledged by the French-Tanzania Chamber of Commerce for its outstanding Community Engagement and Corporate Social Responsibility (CSR) Practices. This recognition reflects our ongoing efforts to support local communities and drive long-term social and economic development



## Safe And Inclusive Future ESG Pillar

| Goal                                   | KPI                                    | Unit         | Target 2024 | Actual 2024 |
|----------------------------------------|----------------------------------------|--------------|-------------|-------------|
| Creating an Excellent Safety Culture   | Fatal accidents                        | #            | 0           | 1           |
|                                        | LTI                                    | #            | 0           | 0           |
|                                        | TCIFR(Fat+LTI+MTI)/1 M work hr.        | %            | 0           | 0           |
|                                        | safety awareness training/programs     | #            | 400         | 410         |
|                                        | Occupational diseases                  | #            | 0           | 0           |
| Inclusive Company Culture              | Employee engagement score              | %            | not done    |             |
|                                        | Gender diversity                       | Female %     | 14          | 13          |
|                                        | ESG Trainings                          | Hours        |             |             |
|                                        | Women in decision-making positions     | %            | 14          | 12.5        |
| Creating Value for Society             | Volunteering activities                | hours        |             | 1000        |
|                                        | CSR programs                           | #            | 10          | 5           |
|                                        | Social impact analysis of CSR programs | %            |             | 33%         |
|                                        | Community investment                   | % in revenue |             |             |
| Transparent Dialogue with Stakeholders | Community dialogue events              | # of sites   | 4           | 2           |





## Employee Matters

At TPCPLC, we are committed to creating a workplace where every employee feels valued, respected, and empowered to thrive. As part of Heidelberg Materials, we actively respect cultural diversity, promote gender inclusion, and foster an equitable work environment, particularly within the traditionally male-dominated construction sector.

With approximately 260 full-time employees, we believe that diversity is a driver of innovation and success. Our goal is to increase the representation of women in leadership positions by 2030, and we are actively implementing awareness programs, equal opportunity measures, mentorship initiatives, and executive advancement programs to achieve this.

The Human Resources (HR) department plays a crucial role in ensuring that TPCPLC remains a workplace where trust, respect, and fairness are at the core of daily operations. Through structured programs, policies, and compliance initiatives, we create an environment where employees are motivated and engaged.

### Key initiatives for a safe and inclusive workplace:

- Compliance and ethics training to uphold integrity and transparency.
- A local toll-free number for employees and stakeholders to report any incidents confidentially.
- Annual communication of compliance policies, including the conflict of interest policy and declaration.
- Support for recreational activities and well-being initiatives, such as the planned sports area near the factory.

### Diversity & Gender Inclusion: Advancing Women In Leadership

As part of Heidelberg Materials, we respect cultural diversity and are dedicated to increasing the representation of women in leadership roles. Currently, 12.5% of management positions are held by women, and we are actively working towards our target of 25% by 2030.

Our gender diversity initiatives include:

- Mentorship and executive advancement programs to support female career progression.
- Targeted recruitment efforts to increase the number of women in technical and managerial roles by 2025-2026.

- Work-life balance measures, including reduced overtime and flexible working arrangements, ensuring employees can fully utilize working hours while maintaining personal and family time.
- Awareness programs and anti-discrimination policies to promote an equitable and respectful workplace.
- We are dedicated to closing the gender pay gap and fostering an environment where all employees—regardless of gender—have equal opportunities to thrive.

### Commitment To Compliance And Ethics

Integrity is a cornerstone of our corporate culture. We ensure that all employees are well-versed in compliance principles, ethical business practices, and regulatory requirements.

In 2024, the HR Department successfully conducted compliance training for employees, covering:

- Compliance Basics
- Anti-Corruption
- Competition Law
- Anti-Money Laundering
- Code of Business Conduct



To reinforce compliance: 195 employees have been enrolled in e-learning and face-to-face training between 2021 and 2024.

Compliance policies and conflict of interest declarations are communicated annually.

E-learning completion rates in 2024 show a 100% completion rate for key compliance courses, demonstrating our employees' dedication to ethical business practices.

## E-Learning Completion Rates In 2024

| E-Learning Completion Rates (2024) | Total Assigned | Completed | Completion Rate |
|------------------------------------|----------------|-----------|-----------------|
| Compliance Basics                  | 66             | 66        | 100%            |
| Competition Law                    | 54             | 52        | 100%            |
| Preventing Corruption              | 91             | 91        | 100%            |

By integrating e-learning into our training framework, we enhance accessibility, flexibility, and continuous learning, ensuring all employees are equipped to uphold TPCPLC's ethical standards.

## Competitive Remuneration & Employee Growth

At TPCPLC, we believe that fair compensation and career development are critical to attracting and retaining top talent.

Our remuneration policy is structured around qualifications, performance, and industry standards, with fixed and variable components that align with individual employment contracts and collective bargaining agreements.

Beyond competitive salaries, we invest in career development through structured training programs, mentorship opportunities, and leadership development initiatives.

Employees receive an average of 20 hours of vocational training and workshops annually, covering both technical skills and professional growth areas.

## Prioritizing Employee Health & Well-Being

A healthy workforce is a productive workforce, and TPCPLC is committed to holistic employee well-being. Our healthcare and wellness programs include:

- Preventive health initiatives such as vaccination campaigns.
- Free gym memberships and structured exercise programs during work hours.
- Recreational facilities to support employees' mental and physical well-being.
- Plans to establish a dedicated sports area near the factory to encourage an active lifestyle.

## Flexible Work Arrangements & Work-Life Balance

Understanding the evolving needs of our employees, TPCPLC promotes work-life balance through:

- Flexible work models that accommodate personal and professional responsibilities.
- Support for childcare and family commitments where applicable.
- Remote work options for roles that allow it.



"Together, we are shaping a workplace that values integrity, inclusivity, and continuous learning."



# Occupational Health and Safety

Occupational health and safety (OH&S) is a core value at TPCPLC, forming a fundamental part of our operational philosophy. Our commitment aligns with Heidelberg Materials' global standards, emphasizing a zero-harm goal through effective preventive measures, continuous risk assessments, and proactive health initiatives.

## Risk Prevention & Safety Management

TPCPLC integrates safety into daily plant operations, ensuring risk assessments are performed regularly. Our occupational safety department plays a key role in managing the safety of:

- Employees and contractors
- Plant facilities and construction sites
- Logistics and transport operations

Compliance with internal and external safety regulations is maintained through workplace inspections and audits. If any shortcomings are identified, corrective actions are implemented immediately.

## Contractor & Third-Party Safety

Recognizing that external partners also contribute to our operations, TPCPLC enforces strict contractor safety standards. These include:

- Mandatory induction programs for all personnel entering company premises
- Regular safety talks, seminars, and safety week programs
- Implementation of dynamic risk assessments to ensure situational awareness and precautionary measures

These initiatives align with Heidelberg Materials' Group Policy on OH&S, ensuring all workers—whether direct employees, contractors, or third-party personnel—operate within a safe and regulated environment.



## Transport & Logistics Safety

As part of our risk mitigation efforts, we prioritize safe transport operations to prevent accidents affecting employees and third parties. We conduct defensive driving training, enforce strict vehicle safety checks, and implement technological safety solutions to reduce road-related incidents.

## Health & Well-Being Initiatives

TPCPLC recognizes that safety extends beyond physical protection—it also includes mental health and overall well-being. To this end, we offer:

- Comprehensive health insurance coverage for all employees
- Annual health check-ups in collaboration with OSHA-certified medical professionals
- Fitness and wellness initiatives, including gym facilities (with plans for an on-site gym by late 2025)

These programs reflect our belief that a healthy workforce is fundamental to operational success and long-term sustainability.

## Commitment To A Safety Culture

In 2024, we received five key safety messages from the CEO of Heidelberg Materials, reinforcing our approach:

1. Health & Safety is the first priority—above financial targets and KPIs.
2. H&S leadership is expected at all levels—management must set the tone through daily actions.
3. Behavioral change is crucial—most incidents are behavior-related, requiring active risk assessments.
4. Zero tolerance for safety violations—strict enforcement across all levels after independent investigations.
5. Responsibility extends to all stakeholders—including employees, contractors, and third parties.



## Society And Corporate Responsibility

TPCPLC (Twiga Cement) operates as a major industrial player in Tanzania, and its CSR approach reflects its long-term commitment to social and economic development within its operational regions. Similar to the quoted global CSR framework, TPCPLC focuses on building strong community relationships, supporting sustainable development, and contributing to local welfare.

### Annual Health & Safety Week: Engaging The Community

As part of our commitment to a proactive safety culture, TPCPLC organizes an annual Health & Safety Week Program, bringing together stakeholders—including transporters, insurance providers, customers, and local communities. To provide safety awareness and other helpful workshops.

### Community Engagement & Social Responsibility

Like the quoted framework, TPCPLC actively integrates community engagement into its operations, recognizing that maintaining positive relationships with neighboring communities is crucial for long-term business sustainability. The company:

- Supports orphanages by providing essentials like food, school supplies, and infrastructure improvements.
- Assists drug rehabilitation centers with building materials for renovations and skill training programs.
- Strengthens educational institutions by donating cement for renovations and providing mentorship and career guidance.
- Engages in waste recycling projects, such as repurposing cement bags into "Soma Bags" for underprivileged students.



TPCPLC's CSR strategy focuses on long-term sustainability by supporting infrastructure development, environmental protection, and education. The company donates cement for community projects, promotes recycling through repurposed cement bags, and invests in youth development through career training and technical skills programs. These efforts align with global CSR principles of economic growth, transparency, and measurable impact. By fostering job creation, maintaining strong community ties, and prioritizing environmental responsibility, TPCPLC ensures its role as a socially responsible corporate entity committed to long-term economic and environmental sustainability.

### Building Strong Communities

#### SIFA House

Just a few kilometers from our factory, SIFA House provides shelter to over 70 orphaned children aged 3-16. In 2024, TPCPLC continued its support by donating food supplies, school essentials, and meeting infrastructure needs. Our CSR team also delivered Soma School Bags, crafted from recycled cement bags, promoting both education and sustainability.

#### Changamoto ni Matumaini Drug Rehabilitation Center

A newly constructed shelter for over 100 street children, Mount Horeb received 200 bags of Twiga Cement to aid in its construction. Managed under the Kibaha Catholic Archdiocese, the home is set to provide a safe haven for children in need.





### Mount Horeb Children's Home

A newly constructed shelter for over 100 street children, Mount Horeb received 200 bags of Twiga Cement to aid in its construction. Managed under the Kibaha Catholic Archdiocese, the home is set to provide a safe haven for children in need.



### Sycamore Children's Home

TPCPLC contributed cement to support infrastructure improvements, including a security wall, and provided Soma School Bags and food supplies. The home shelters over 100 children from vulnerable backgrounds in the village.



### Watoto Wetu Tanzania

This NGO-run orphanage is home to over 70 vulnerable children and youth. As part of our commitment to "being a good neighbor," we donated cement bags and school materials to support their education and daily needs.



### Culture & Sports Development

#### Swimming Champion Sponsorship

Collins Saliboko, a Tanzanian swimming prodigy, has won over 100 medals and competed in global events, including the 2024 Paris Olympics. TPCPLC proudly supports his journey by covering training camp fees, flights, and upkeep expenses to ensure he reaches new heights.





### Education For A Better Future

#### Bunju Primary School

TPCPLC assisted with road repairs, school essentials, and donated Twiga Soma School Bags to the Special Needs Center within the school. Looking ahead to 2025, we plan to equip the school with used PCs and IT training.



#### Twiga Secondary School

Located near our plant, Twiga Secondary educates over 2,000 students. This year, we supported the school with classroom renovations, sanitary towels for girls, and career development workshops led by our HR team.



#### Kunduchi Secondary School

Promoting digital literacy, we provided 15 used laptops to science teachers and students. In past years, we have supported the school with cement for infrastructure repairs, and this year, our focus was on enhancing ICT education.



## SUMMARY TABLE OF CSR ACTIVITIES- 2024

| Activity Location                             | Description of Activity                                                     | TPC PLC's Contribution                                                                 |
|-----------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| SIFA House - Bunju                            | Orphanage housing 70 children. Provided food, water, and school essentials. | Donated food worth TZS 5M, school bags from recycled cement bags.                      |
| Watoto Wetu Tanzania - Madale                 | NGO-run orphanage with 70+ children.                                        | Donated cement bags and school items.                                                  |
| Mount Horeb Children's Home - Kibaha          | Newly built home for 100+ street children.                                  | Donated 200 bags of cement for construction.                                           |
| Changamoto ni Matumaini - Boko                | Drug rehab center that reforms and trains youth.                            | Donated cement for kitchen and garage repairs, provided scrap materials for recycling. |
| Sycamore Children's Home - Msata, Bagamoyo    | Orphanage housing 100+ vulnerable children.                                 | Donated cement, school bags, and food.                                                 |
| Twiga Secondary School - Near Twiga Plant     | School with 2000 students. Received educational and infrastructure support. | Donated cement for repairs, sanitary towels, and career development training.          |
| Bunju Primary School - Bunju                  | Public school with 1500 students, including a special needs center.         | Donated school essentials, Twiga Soma bags, and committed to future IT support.        |
| Kunduchi Secondary School - Tegeta            | School with 1500 students, lacking ICT resources.                           | Donated 15 used laptops for science students and teachers.                             |
| Collins Saliboko (Swimming Champ Sponsorship) | Tanzanian swimmer competing internationally, including the 2024 Olympics.   | Sponsored training camps, flights, and upkeep expenses.                                |



# Building A Nature Positive Future



## PROTECTING AND SPREADING BIODIVERSITY

**27,303**  
Seedlings  
raised in our  
Quarry

**23,548**  
Trees Donated

## WATER CONSUMPTION



**110.8** Litres per  
Tonnes of  
Cement  
Specific water consumption  
in 2024

## QUARRIES

**21.25** ha  
Quarry Rehabilitation  
Total Area covered  
from 2010 to 2024



Our Main Quarry in  
Wazo Hill has a  
Restoration Plan





## TPCPLC's Commitment to a Nature-Positive Future

At TPCPLC, we recognize that raw material extraction has a significant impact on nature, altering landscapes and habitats. As part of our commitment to sustainable quarrying, we align with the Global Goal for Nature, ensuring that by 2030, we contribute to biodiversity gain rather than loss. Our Wazo Hill Quarry operates under the Mining Act (2010) and Mining Regulations (2010), ensuring compliance with responsible land use policies. Beyond regulatory adherence, we actively implement nature-positive strategies to restore ecosystems, protect biodiversity, and support climate resilience.

To achieve a nature-positive future, TPCPLC focuses on sustainable quarry rehabilitation by reclaiming and restoring mined areas into ecologically valuable landscapes. We transform previously extracted land into spaces suitable for agriculture, forestry, or conservation by planting native trees, including fruit bearing, shade-providing, and timber-producing species. This approach accelerates ecosystem recovery and enhances local biodiversity.

Collaboration is at the core of our biodiversity conservation efforts. We work closely with nature conservation organizations, policymakers, and local communities to protect and enhance biodiversity around Wazo Hill. By aligning our restoration initiatives with global best practices, we ensure that post-extraction landscapes provide long-term ecological and social benefits.

Beyond our quarry operations, we actively promote urban greening in Tanzania by donating trees and developing green spaces. We also run land conservation awareness programs, educating communities on the importance of biodiversity preservation and sustainable land management. By fostering environmental stewardship, we aim to inspire collective action toward a greener, more resilient future.

In addition to land restoration, we ensure that our quarry provides undisturbed habitats for native wildlife, including birds, pollinators such as butterflies and bees, and small mammals. By integrating biodiversity-friendly practices into our operations, we support the survival of these species and contribute to the overall health of local ecosystems.

At TPCPLC, we believe that quarries can be transformed into biodiversity hotspots. By prioritizing responsible land management, we minimize negative environmental impacts while creating lasting ecological value. Our goal is to ensure that by 2030, nature is in a better state than it was in 2020—a vision that aligns with Twiga's commitment to a nature-positive future. Through strategic rehabilitation, collaboration, and sustainable environmental practices, we contribute to reversing biodiversity loss while supporting economic and social development in Tanzania.

### Nature positive ESG table

| Goal                                    | KPI                                     | Unit       | Target 2024 | Actual 2024 |
|-----------------------------------------|-----------------------------------------|------------|-------------|-------------|
| Efficient Management of Water Resources | Mitigation in water consumption         | l/t cement | <288        | 110.8       |
| Protecting Biodiversity                 | Quarries with biodiversity action plans | #          | 1           | 1           |
|                                         | Rehabilitated quarry areas              | ha         | 1           | 0           |





## Business & Compliance

TPCPLC is committed to upholding responsible corporate governance. We conduct our business with integrity, adhering to all applicable laws and international standards while integrating socially and environmentally responsible practices. This approach ensures long-term, sustainable success.

### Compliance Management

Our comprehensive compliance program is embedded within TPCPLC's corporate culture, overseen by the compliance department. This program, rooted in our Code of Conduct, addresses key areas such as competition law, anti-corruption measures, and human rights. Led by the Internal Auditor/ Quality Assurance Manager, the program ensures that all employees understand and comply with legal and regulatory requirements.

TPCPLC provides regular training and distributes compliance guidelines to reinforce ethical business practices. Our Board and management uphold a zero-tolerance policy for any legal or regulatory violations, prioritizing compliance across all levels. Additionally, employees can anonymously report concerns via "SpeakUp".



Our Internet based whistleblowing system

### Legal Compliance

TPCPLC strictly complies with the laws and regulations of the country. Our management ensures full adherence to all applicable legal and regulatory frameworks, incorporating best practices in labor standards, human rights, environmental protection, and anti-corruption measures.

Employee and contractor agreements explicitly include provisions on human rights and a code of conduct, reinforcing our commitment to ethical labor practices. We expect our employees, business partners, and suppliers to adhere to these principles and comply with our Code of Business Conduct.

### Responsible Tax Strategy

As a responsible corporate citizen, TPCPLC contributes to economic growth by generating employment, investing in infrastructure, and ensuring fair tax contributions. We recognize the critical role of tax revenues in government development projects and, as such, comply with all tax laws and regulations.

Our tax principles guide our operations, ensuring compliance while mitigating reputational risks. Internal controls and procedures are in place to prevent tax violations, and our transactions are structured based on sound legal and commercial grounds, avoiding aggressive or artificial tax arrangements.

Our business transactions are organized on the basis of sound legal, commercial grounds and facts, and do not use any aggressive or artificial tax arrangements.

### Mining & Environmental Compliance

TPCPLC integrates labor standards, human rights, environmental protection, and anti-corruption measures into its daily operations. Employee and supplier contracts include clear expectations regarding human rights and ethical conduct, reinforcing our commitment to responsible business practices.

Understanding the environmental impact of our quarrying activities, we allocate resources to ensure compliance with environmental laws and regulations. To support ecological rehabilitation, we operate a tree nursery that produces seedlings for reforestation efforts within our mining areas and for donation to external stakeholders. This initiative also serves as a platform for training and research on sustainable ecosystems.



### Human Rights Compliance

TPCPLC is dedicated to responsible corporate governance, ensuring that all business activities align with applicable legal frameworks and international human rights standards. We are committed to upholding ethical practices, fostering inclusivity, and promoting fair labor conditions across all operations.



## Abbreviations

| Abbreviations   | Descriptions                                       |
|-----------------|----------------------------------------------------|
| TPC             | Tanzania Portland Cement                           |
| PLC             | Public Limited Company                             |
| ESG             | Environmental Social Governance                    |
| GRI             | Global Reporting Initiates                         |
| SDGS            | Sustainable Development Goals                      |
| DSE             | Dar es salaam Stock Exchange                       |
| CO <sub>2</sub> | Carbon Dioxide                                     |
| HR              | Human Resources                                    |
| HM              | Heidelberg Material                                |
| TZS             | Tanzanian shilling                                 |
| R&D             | Research and Development                           |
| AF              | Alternative fuel                                   |
| CLK             | Clinker                                            |
| INC             | Incorporation                                      |
| KG              | Kilograms                                          |
| ISO             | The international Organization for Standardization |
| HA              | Hectares                                           |
| EMS             | Environmental Management Systems                   |
| OHS             | Occupational Health and Safety                     |



## GRI Content Index

| GRI Standard                       | Disclosure                                                                       | Location   |
|------------------------------------|----------------------------------------------------------------------------------|------------|
| GRI 2: General Disclosures 2021    | 2-1 Organizational details                                                       | 27         |
|                                    | 2-6 Activities, value chain and other business relationships                     | 29         |
|                                    | 2-7 Employees                                                                    | 48 - 52    |
|                                    | 2-9 Governance structure and composition                                         | 31         |
|                                    | 2-12 Role of the highest governance body in overseeing the management of impacts | 31, 34, 42 |
|                                    | 2-13 Delegation of responsibility for managing impacts                           | 31         |
|                                    | 2-14 Role of the highest governance body in sustainability reporting             | 34         |
|                                    | 2-16 Communication of critical concerns                                          | 31, 40-42  |
|                                    | 2-19 Remuneration policies                                                       | 49         |
|                                    | 2-22 Statement on sustainable development strategy                               | 34-38      |
|                                    | 2-23 Policy commitments                                                          | 56-57      |
|                                    | 2-26 Mechanisms for seeking advice and raising concerns                          | 56-57      |
|                                    | 2-27 Compliance with laws and regulations                                        | 40-42      |
|                                    | 2-29 Approach to stakeholder engagement                                          | 28, 29     |
| GRI Standard                       | Disclosure                                                                       | Location   |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed                            | 5, 33      |

## GRI Content Index

| GRI Standard                        | Disclosure                                                                            | Location  |
|-------------------------------------|---------------------------------------------------------------------------------------|-----------|
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers                                       | 29, 39    |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 205: Anti-corruption 2016       | 205-1 Operations assessed for risks related to corruption                             | 56-57     |
|                                     | 205-2 Communication and training about anti-corruption policies and procedures        | 48-50     |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 207: Tax 2019                   | 207-1 Approach to tax                                                                 | 56        |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 301: Materials 2016             | 301-2 Recycled input materials used                                                   | 33, 44    |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 302: Energy 2016                | 302-1 Energy consumption within the organization                                      | 43-44     |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 303: Water and Effluents 2018   | 303-1 Interactions with water as a shared resource                                    | 44, 54-55 |
|                                     | 303-5 Water consumption                                                               | 54-55     |
| GRI Standard                        | Disclosure                                                                            | Location  |
| GRI 305: Emissions 2016             | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 44        |



## GRI Content Index

| GRI Standard                                  | Disclosure                                                                                               | Location     |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------|
| GRI 306: Waste 2020                           | 306-2 Management of significant waste-related impacts                                                    | 44           |
| GRI Standard                                  | Disclosure                                                                                               | Location     |
| GRI 401: Employment 2016                      | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 49           |
| GRI Standard                                  | Disclosure                                                                                               | Location     |
| GRI 403: Occupational Health and Safety 2018  | 403-1 Occupational health and safety management system                                                   | 50           |
|                                               | 403-3 Occupational health services                                                                       | 50           |
|                                               | 403-5 Worker training on occupational health and safety                                                  | 50           |
|                                               | 403-6 Promotion of worker health                                                                         | 49           |
|                                               | 403-9 Work-related injuries                                                                              | 47           |
| GRI Standard                                  | Disclosure                                                                                               | Location     |
| GRI 404: Training and Education 2016          | 404-1 Average hours of training per year per employee                                                    | 49           |
|                                               | 404-2 Programs for upgrading employee skills and transition assistance programs                          | 49           |
| GRI Standard                                  | Disclosure                                                                                               | Location     |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees                                                       | 48           |
| GRI Standard                                  | Disclosure                                                                                               | Location     |
| GRI 413: Local Communities 2016               | 413-1 Operations with local community engagement, impact assessments, and development programs           | 40-41, 51-54 |





## 04

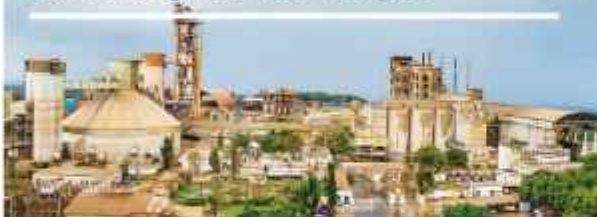
## Report to Our Shareholders

|                                         |     |
|-----------------------------------------|-----|
| Report by Those Charged with Governance | 62  |
| Ripoti ya wale wanaohusika na Uongozi   | 88  |
| Statement of Directors Responsibilities | 113 |
| Declaration of Head of Finance          | 114 |
| Independent Auditor's Report            | 115 |

## 04

The Report By  
Those Charged  
With Governance

The directors present their report and the audited financial statements for the financial year ended 31 December 2024 which disclose the state of affairs of Tanzania Portland Cement Public Limited Company ("the Company" or "TPCPLC") and its subsidiary Mamba cement company Limited (together "the Group").



### 1. Incorporation

The Company is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a Public Company limited by shares.

### 2. Our Vision

**To develop a strong identity, be the market leader and the first choice amongst cement consumers in Tanzania.**

### 3. Our Mission

To satisfy customers by providing them with high-quality products and services at an affordable price.

## 4 Company Operations

### Principal Activities

The Company's principal activity during the year was manufacturing cement at its plant at Tegeta-Wazo Hill, Dar Es Salaam, Tanzania and selling cement both inside and outside Tanzania.

Mamba Cement Company Limited, a subsidiary, is primarily engaged in the extraction of limestone. The company remains in the exploration stage and has not yet commenced commercial manufacturing.

### 5. Economic and Market Environment

#### Economic Environment

Over the course of 2024, the global economy continued to develop moderately, with growth forecast of 3.2%, in a phase of moderate momentum and increased economic policy uncertainty. Energy and raw material prices remained at a high level. Further geopolitical tensions, such as the conflict in the Middle East, have put additional strain on the global economy.

Tanzania saw annual average inflation for 2024 improved to 3.1% compared to the previous year's average of 3.8% explained by a rebound in the tourism sector, gradual improvement in supply chains and reforms to support economic activities, as well as the annual GDP growth for the quarter ending September 2024 has improved to 5.9% compared to 5.3% for the quarter ending Dec 2023

#### Market Environment

Tanzania remains a complex market and 2024 was characterized by multiple challenges. The competitive landscape with thirteen cement plants operating in Tanzania with less than 60% capacity utilization for the producers.

A year divide into two, with a first half of the year that saw a further shrinkage of the cement consumption due to lower consumption on the infrastructural projects and as well the climate impact of El Nino. The second half of the year on the other hand noticed a reactivation of the market majorly driven by the private sector and consumers spend. These factors have led in the end to a minor growth in the cement consumption in 2024 compared to 2023.

2025 is expected to remain a year with a number of uncertainties; large over-capacity will remain in a year of elections and no clear visibility on the reactivation of the structural projects.

#### Operational Environment

Within the operational sphere, TPCPLC faces high production costs mainly in energy costs which constitute a significant portion of production expenses, the escalating prices for raw materials further strain profitability.

The regulatory operation framework is continuing to evolve with more topics in the pipeline, we continue to work closely with various authorities to ensure full compliance and resolutions.



## 6. Business Model

As a major cement producer in the country, TPCPLC has a strong sales record. Our products cater to the increasing demands for housing, transportation, and economic development in Tanzania and East Africa by supporting the construction of residential, commercial, and industrial facilities. We are also committed to achieving carbon neutrality in cement manufacturing and are working towards sustainable and intelligent cement technologies while offering digital solutions to our customers.

Our business model covers the entire value chain from the extraction of raw materials to the processing of cement and distribution to customers. Our operations are supported by Central Competency Centers for Technology, which are owned by our main shareholder. We carry out geological exploration of raw material reserves, assess environmental impact, extract raw materials, rehabilitate extracted areas, and produce cement as part of our operational processes.

### Products

Cement is our core product. We classify our high-quality cement based on its early and final strength and composition. Our clients for our top-notch cement range from regular constructions and government infrastructure projects to producers of ready-mix concrete, and the general public through our distributorship network. Our cement products are packaged in bags, big bags, and bulk.

In simple terms, below is the list of our top-notch products;

|                                                                                     |                                         |                                                                                     |                                                                                                 |
|-------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|    | <b>Twiga Ordinary (CEM I 42.5N)</b>     |    | Suitable for high-quality concrete, and overall building of large buildings, dams, and bridges. |
|  | <b>Twiga Plus+ (CEM II B-L 42.5N)</b>   |  | Suitable for building blocks, large and medium-sized buildings, dams and bridges, etc.          |
|  | <b>Twiga Extra (CEM II B-L 32.5 R)</b>  |  | Suitable for the overall building of houses and block making etc.                               |
|  | <b>Twiga Super (CEM II B-L 32.5N)</b>   |  | Suitable for the improvement of soil binding strength, most especially road constructions, etc. |
|  | <b>Twiga Jenga (MC 22.5 X)</b>          |  | Suitable for installation of tiles, minor house improvements, building blocks, etc.             |
|                                                                                     | <b>Twiga Mega (CEM III/B-SR 42.5N).</b> |                                                                                     | Low-heat cement suitable for mass concrete applications.                                        |

### The significance of integrating sustainability into the business model

We aim to make a significant impact in reducing the environmental impact of our business operations and decreasing our carbon footprint. As one of the leading cement manufacturers in the country, we acknowledge our responsibility to lead the way in driving sustainable practices across the industry. Our goal is to contribute significantly towards sustainable cement production and achieving carbon neutrality through prioritizing social and environmental responsibility as well.

Climate protection is an essential element of our business strategy to achieve our objective. We understand that cement production generates a significant amount of Carbon Dioxide (CO<sub>2</sub>) due to the chemical processes required for clinker burning, which is why we are increasing our use of alternative raw materials and fuels to reduce CO<sub>2</sub> emissions.

We are also working to optimize our production processes to increase energy efficiency while promoting circularity and a strong circular economy to reduce the consumption of primary raw materials. At the product level, we prioritize low-carbon cement compositions, the use of recycled materials, and the adoption of new technologies to support our goal of achieving carbon neutrality.

**Value we Created**

## Operating Profit

**TZS 79.3bn**

2023: TZS 141.4bn

## Profit After Tax

**TZS 56.7bn**

2023: TZS 99.2bn

## Operating Cash Flow

**TZS 124.1bn**

2023: TZS 95.6bn

**Benefits to Stakeholders**

## To our Shareholders:

Returns and growth

## To our Customers:

Quality products

## To Government:

Taxes and quality products for infrastructure development

## To Society:

People career development and better built environment

**External factors of influence**

Apart from weather conditions and economic and population growth, the operational and economic development of TPCPLC is primarily impacted by fluctuations in energy and raw material prices in both local and global markets, changes in the regulatory environment, and competition within the markets where we operate.

**Digitalisation**

Digitalisation – including digital products and applications plays a crucial role throughout our entire value chain, from raw materials mining, production, and logistics to the final interaction with our customers. TPCPLC has set itself the target of becoming the leading tech company in the cement industry. We aim to use digital solutions to contribute to Company growth and increase efficiency in production and administration.

**Corporate Portfolio**

Our customer portfolio is diversified and we consider it to be a strength. We keep prioritizing and strengthening our market positions based on defined financial and non-financial criteria. We also plan to expand our presence in markets with growth potential. Furthermore, we will continue to invest in sustainability and digitalization, which we see as transformative areas, and develop our portfolio in these areas.

**Value creation for our shareholders**

To achieve sustainable value and measure our business success, we have established key performance indicators that are relevant for management. These include the result of the current operation (RCO), return on invested capital (ROIC), and net CO<sub>2</sub> emissions. In addition, we also use revenue development, the result of the current operation before depreciation (RCOBD) margin, and leverage ratio as supporting information.

To evaluate and achieve our strategic goals, we have implemented a value-oriented management system. This system involves annual operational planning, management and control throughout the year, monthly management meetings, and regular departmental meetings.

We employ a comprehensive system of standardized reports to manage and control the company throughout the year. These reports cover TPCPLC's assets, cash position, and earnings position, with the indicators used being uniform throughout the company. Weekly reports on cash

inflow and outflow are prepared, and monthly reports cover operating profit, production, and maintenance.

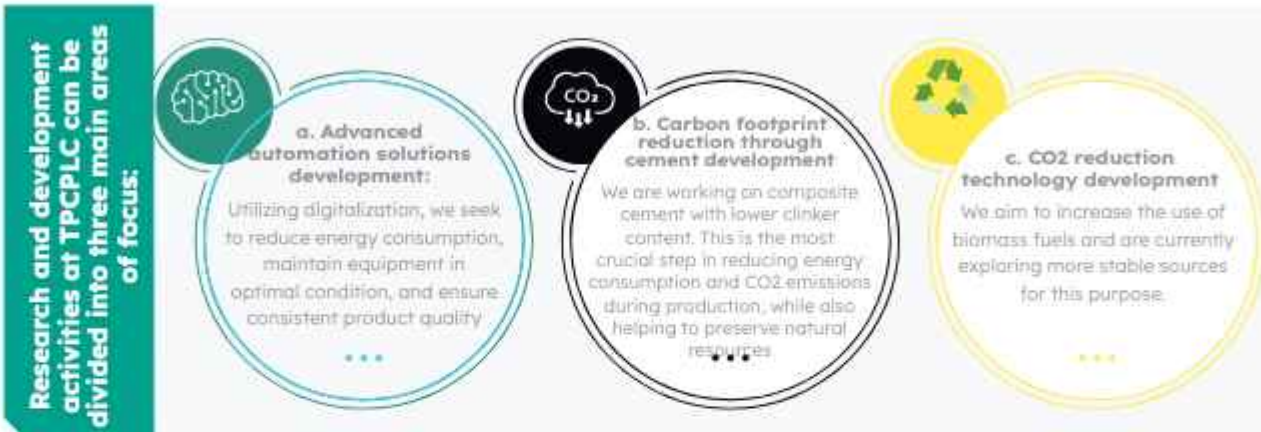
Detailed financial reports are provided at the end of each month and quarter. During quarterly management meetings, TPCPLC's key management personnel and main shareholder's regional managers discuss business developments, including target achievement, the outlook for the fiscal year, and any necessary measures based on TPCPLC's quarterly forecasts.



## Business Model Continued

### Research and development

TPCPLC's research and development (R&D) efforts aim to create innovative products, develop new product formulations, and improve processes to lower energy consumption, conserve resources, strengthen the circular economy, reduce CO2 emissions and costs, and enhance customer satisfaction.



### Operational Performance

TPCPLC outlook in numbers.

| Figures in TZS Millions                          | 2024    | 2023    | Change% |
|--------------------------------------------------|---------|---------|---------|
| <b>Income statement</b>                          |         |         |         |
| Revenue                                          | 448,586 | 490,172 | -8.5%   |
| Operating profit                                 | 79,281  | 141,433 | -43.9%  |
| Profit for the financial year                    | 56,674  | 99,184  | -42.9%  |
| Earnings per share (TZS)                         | 315     | 551     | -42.9%  |
| Dividend per share (TZS)                         | 600     | 390     | 53.8%   |
| <b>Investments in Tangible Assets &amp; PPE</b>  | 22,190  | 11,966  | +85.4%  |
| <b>Depreciation and amortisation</b>             | 19,685  | 21,819  | -9.8%   |
| <b>Balance sheet</b>                             |         |         |         |
| Non-current assets                               | 180,125 | 138,555 | +30.0%  |
| Current assets                                   | 300,732 | 307,132 | -2.1%   |
| Equity                                           | 314,899 | 328,557 | -4.1%   |
| Non-current liabilities                          | 17,617  | 20,706  | -14.9%  |
| Current liabilities                              | 148,340 | 96,424  | +53.8%  |
| Balance Sheet Total                              | 480,857 | 445,687 | +7.9%   |
| <b>Ratios</b>                                    |         |         |         |
| Operating Income (OI) Margin                     | 17.7%   | 28.9%   | -11.2%  |
| Return on total assets before taxes <sup>9</sup> | 16.2%   | 31.5%   | -15.3%  |
| Return on equity <sup>10</sup>                   | 18.0%   | 30.2%   | -12.2%  |
| Return on revenue <sup>11</sup>                  | 12.6%   | 20.2%   | -7.6%   |
| <b>Non-Financial Figures:</b>                    |         |         |         |
| Number of employees at year-end                  | 263     | 257     | +2.3%   |

Extensive operating results information is found from page 126.

<sup>9</sup> Result before tax from continuing operations + interest expenses / balance sheet total

<sup>10</sup> Net income from continuing operations/equity

<sup>11</sup> Net income from continuing operations/revenue

**Operational Performance** *Continued***Revenue and results**

Clinker production in 2024 slightly declined by 1.4% compared to 2023. However, cement production increased by 0.3% compared to 2023. We are committed to continued improvement and maintenance of machines to ensure optimal production capacities.

The turnover also declined from TZS 490.2 billion to TZS 448.6 billion in 2024, a decrease of 8.5%. This is attributed to the overall shrinkage in the cement market growth and increasing fierce competition.

Due to a decline in sales, TPCPLC recorded a 44% decrease in operating profit for the year compared to the previous year. Profit for the year amounted to TZS 56.7 billion (2023: TZS 99.2 billion). Total comprehensive income was also TZS 56.5 billion, down from TZS 99 billion in 2023.

The Board of Directors will propose to the shareholders a dividend distribution of TZS 600 per share (2023: TZS 390 per share).

**Cash flow position**

Despite a challenging market environment and higher energy and raw material prices, cash inflow from operating activities in the 2024 financial year increased by 13.6% to TZS 108.6 billion (2023: TZS 95.6 billion), surpassing the previous year's level. This improvement was primarily driven by better working capital management compared to the prior year.

Due to a negative net cash movement of TZS 24.2 billion (2023: Positive net cash movement of TZS 18.5 billion), primarily driven by the Mamba investment, the cash and cash equivalents balance declined from TZS 131.4 billion to TZS 115.3 billion.

**Earnings anticipation**

We anticipate a modest growth in cement revenue in 2025 based on some improvement in market conditions compared to the previous year, mainly due to better weather conditions, and higher overall market demand in the first half, though larger public projects are not yet taking off. On the other hand, TPCPLC will keep optimizing its cost structure, focusing in the reduction of the variable production cost, logistics, and raw materials, in turn we anticipate a slight increase in operating profit for 2025.

**Future Prospects Of The Company**

**The cement market in Tanzania and the East African region has been growing steadily over the past years. TPCPLC has invested in expanded capacity, rehabilitated old clinker lines, and identified strategic sources of raw materials to secure its operations and cope with market growth.**

**Additional focus continues to be placed on process improvement and cheap energy development, with the new investment in solar panels, and continuous efforts to increase the consumption of alternative fuels, which will also reduce Carbon dioxide (CO<sub>2</sub>) emissions at the same time, through the utilization of biomass. Management is projecting to achieve more than 20% of alternative fuels in the fuel mix by 2025.**

**Solvency Evaluation**

The Directors have reviewed the current financial position of the Company and the existing short-term liabilities. Based on this review together with the current business plan, the Directors are satisfied that the Company is a going concern within the meaning ascribed by the Companies Act, 2002 of the Laws of Tanzania and IFRS Accounting Standards.

**Major Events**

On September 2024, TPCPLC acquired a 95% stake in Mamba Cement Company Limited ("MCCL") from Sura Holdings Limited for a cash consideration of TZS 42 billion.

The investment was done to secure limestone reserve which is key raw materials for cement production due to limited limestone and filler reserve at TPCPLC quarry. This will give the company access to the largest limestone deposits near Dar es Salaam approximated 125km from TPCPLC plant.







## Corporate Governance

TPCPLC adheres to strict Corporate Governance standards to ensure the company's long-term value and success while considering the interests of its diverse stakeholder groups, including shareholders, customers, suppliers, employees, and the communities where TPCPLC conducts its operations.



TPCPLC has three governing frameworks, the Annual General Meeting, the Board of Directors, and the Audit Committee. The tasks and responsibilities of these institutions are primarily based on Stock Exchange Regulations and the company's Articles of Association. The Board of Directors is of the opinion that the Company complies with principles of good Corporate Governance as required by the Stock Exchange Regulations.

The shareholders exercise their rights before or during the Annual General Meeting and thereby exercise their voting rights. The ordinary Annual General Meeting is normally held at the mid of the financial year. A company proxy bound by instructions is also available to shareholders to exercise their voting rights at the Annual General Meeting.

### TPCPLC has three institutions





## Our Code of Business Conduct (CBC)

The Code of Business Conduct is binding for the entire Company. The Code of Business Conduct calls for:



To ensure that the rules of the Code of Business Conduct are understood and observed, all members of the Managing Board and employees must regularly complete an online training programme.



## 04

## Our Board of Directors



**Mr. Hakan Gurdal**  
Chairman

Mr. Hakan Gurdal was appointed Chairman of TPCPLC Board in August 2016. He studied mechanical engineering at the Yildiz Technical University in Istanbul and holds an MBA in International Management from the University of Istanbul.

He joined Canakkale Cimento (today part of the joint venture Akcansa) in 1992. He is a member of the managing board of Heidelberg Materials, in charge of the Africa Mediterranean Western Asia Group area.



**Mr. Alfonso Velez**  
Managing Director

Mr. Alfonso Velez was appointed as the Managing Director of TPCPLC from August 2016. In August 2017 he was appointed as the General Manager for Central and South-East Africa operations which comprised of Tanzania, Congo DRC, Mozambique and South Africa.

Alfonso holds a Phd of Economics and Business Organization from University of Granada, MBA in Corporate Finance from University of Dallas.

He has a vast experience in cement industry and related companies in Europe before joining HeidelbergMaterials Group in 2013 as the Managing Director of CIMBENIN.



**Mr. Oswald Martin Urassa**  
Director (Non Executive)

Mr. Oswald Urassa, is a CFO of Tanzania Mortgage Refinance Co. Ltd. He studied finance at the University of Dar es Salaam and he is registered by the National Board of Accountants and Auditors (NBAA) in the category of Certified Public Accountant in Public Practice (CPA-PP).

He has been a member of the board to various organizations including Government Employees Provident Fund (GEPF), National Board of Accountants and Auditors (NBAA), Tanzania Association of Accountants (TAA), Investment Trust Board (ITB) and Evangelical Lutheran Church of Tanzania, Eastern and Coastal Diocese (ELCT-ECD).



Corporate Governance *Continued*

**Mr. Francesco Brambilla**  
Director (Non Executive)

Mr. Francesco Brambilla was appointed as TPCPLC board member in April 2018. He studied Civil Engineering at Pavia university (IT) and holds an MBA from Essec Business School (FRA) and Mannheim Business School (GER).

He joined Heidelberg Cement in 2016 as Market Intelligence and Sales Processes Director for Africa and Eastern Mediterranean Basin Group area.

With a vast experience in the cement business, prior to his current role he has covered several managerial positions both in operations and in strategy & business development, in Europe and in Africa.



**Mrs. Ruth Henry Zaipuna**  
Director (Non Executive)

Mrs. Ruth Zaipuna, Tanzanian national, is the CEO at NMB Bank PLC, responsible for driving the Bank's corporate strategy to deliver sustainable business growth.

Prior to joining NMB Bank PLC, She had worked with Standard Chartered Bank Tanzania and PricewaterhouseCoopers (PwC).

She holds a Master of Business Administration (MBA) in Finance and a Bachelor of Commerce (B.Com) degree in Accounting, both from the University of Dar es Salaam and she holds an Associate Certified Public Accountant (ACPA (T)) certification.



**Mr. Christian Mikli**  
Director (Non Executive)

Mr. Christian Mikli, a German national was appointed as TPCPLC board member of TPCPLC Board in January 2024. Mr. Christian has served as a member of the TPC PLC Audit Committee since 2024.

He has served on various Boards and Audit committees in different cement plants within the group having gained finance and management experience of more than 17 years in senior positions including Finance Director/CFO in Kazakhstan. He is currently Finance Director Africa Mediterranean Western Asia (AMWA) business unit in Heidelberg Materials.

**Corporate Governance Continued****b. The Board of Directors**

The Board currently comprises six directors: five Non-Executive Directors and the Managing Director. The roles of the Chairman and Managing Director are separate to achieve a balance between management and control. The Board is responsible to shareholders for corporate governance of the Company, for setting strategy and policies, monitoring of operational performance, risk management processes, and setting of authority levels. The Board is scheduled to meet 3 times during the financial year.

The directors of the Company who served during the year, and to the date of this report, are:

| Name                     | Title             | Nationality | Age | Qualification      | Initial Appointment |
|--------------------------|-------------------|-------------|-----|--------------------|---------------------|
| Mr. Alfonso Velez        | Managing Director | Spanish     | 56  | MBA                | 29 Aug 2017         |
| Mr. Christian Mikli      | Director          | German      | 51  | B. A               | 1 Jan 2024          |
| Mr. Francesco Brambilla  | Director          | Italian     | 54  | Engineer           | 25 Apr 2018         |
| Mr. Hakan Gurdal         | Chairman          | Turkish     | 57  | Engineer, MBA      | 23 Aug 2016         |
| Mr. Oswald Martin Urassa | Director          | Tanzanian   | 61  | B.com, MBA, CPA(T) | 25 May 2016         |
| Mrs. Ruth Henry Zaipuna  | Director          | Tanzanian   | 52  | B.com, MBA, CPA(T) | 25 May 2016         |

All current Directors are non-executive except for the Managing Director.

The Company Secretary during the year ended 31 December 2024 was Mr. Brian Kangetta (Kenyan), 47 years old.

**The Directors' Interest in the Shares of the Company.**

|                          | Number of shares |      |
|--------------------------|------------------|------|
|                          | 2024             | 2023 |
| Mr. Oswald Martin Urassa | 500              | 500  |

**Board Meetings.**

The table presented below displays the board members' attendance record for the ordinary scheduled board meetings during the year.

| Name                     | 26 Apr<br>2024 | 18 Jul<br>2024 | 10 Dec<br>2024 |
|--------------------------|----------------|----------------|----------------|
| Mr. Alfonso Velez        | ✓              | ✓              | ✓              |
| Mr. Christian Mikli      | ✓              | ✓              | ✓              |
| Mr. Francesco Brambilla  | ✓              | ✓              | ✓              |
| Mr. Hakan Gurdal         | ✓              | ✓              | ✓              |
| Mr. Oswald Martin Urassa | ✓              | ✓              | ✓              |
| Mrs. Ruth Henry Zaipuna  | ✓              | ✓              | ✓              |

✓ → Attended    X → Excused

**c. The Audit Committee**

The Board is assisted in the discharge of its responsibilities related to financial reporting, compliance, risk management, accounting, and information systems management by the Audit Committee. The Audit Committee is chaired by one of the Non-Executive Directors. Meetings are held throughout the year and are attended by senior management and the Company's auditors where necessary. The Audit Committee met 3 times in 2024 (2023: 3 times).



**Corporate Governance Continued****Audit Committee Members**

The Audit Committee members who served during the year, and to the date of this report, are:

| Name                       | Title    | Nationality | Qualification         |
|----------------------------|----------|-------------|-----------------------|
| Mr. Christian Mikli        | Chairman | German      | B.A                   |
| Mr. Oswald Martin Urassa * | Member   | Tanzanian   | B.com, MBA,<br>CPA(T) |
| Mrs. Ruth Henry Zaipuna    | Member   | Tanzanian   | B.com, MBA,<br>CPA(T) |

**Audit Committee Meetings**

The table presented below displays audit committee members' attendance records for the ordinary scheduled meetings during the year

| Name                     | 26-Apr-<br>2024 | 18-Jul-<br>2024 | 10-Dec-2024 |
|--------------------------|-----------------|-----------------|-------------|
| Mr Christian Mikli       | ✓               | ✓               | ✓           |
| Mrs. Ruth Henry Zaipuna  | ✓               | ✓               | ✓           |
| Mr. Oswald Martin Urassa | ✓               | ✓               | ✓           |

✓ → Attended    X → Excused

**d. Performance evaluation and reward**

The Company has implemented an evaluation and bonus system for its managers and employees. Rewards in the form of yearly bonuses are linked to the Company's overall financial performance, production, health and safety, and individually set performance targets.

**e. Risk management and internal control**

TPCPLC faces several risks due to its business operations, and effective risk management is crucial for sound corporate governance. The company's robust risk management framework facilitates early identification and systematic evaluation of potential risks, ensuring targeted risk management. Additionally, TPCPLC has an internal control system that includes both independent and integrated control measures through its internal audit function.

The Internal Auditor is responsible for establishing and implementing a yearly internal audit plan whereby compliance with policies and procedures, the adequacy of internal controls and risk management, and the potential for improvements are assessed. In addition, the Company benefits from regular reviews by the internal audit team of the main shareholder

**f. Business ethics and organizational integrity**

The issues of good governance and ethical conduct are critical to counterparty and investor perceptions of a listed Company. The Company strives to ensure that its integrity and professional conduct are always beyond reproach. The Company has developed ethical guidelines for its employees to limit the cost of unethical behaviour to its stakeholders. The Company has adopted the main shareholder's business code of conduct and anti-corruption guidelines. Hence every employee has signed a declaration to comply with these rules.

**g. Management reporting, financial reporting, and auditing.**

The Company has established management reporting procedures which include the preparation of annual strategic plans and budgets. Actual results are reported monthly against approved budgets and forecasts and compared to the prior year. Financial reporting is done according to IFRS Accounting Standards and published quarterly in accordance with the requirements of the Dar es Salaam Stock Exchange. The accounts for each financial year are audited by the Company's external auditor.

## 04

**Our Key  
Management  
Team**

**1. Mr. Gregory Ndimbo**  
Internal Audit and Quality  
Assurance Manager

**2. Simon Renaud**  
Finance Director

**3. Mr. Gilles Covello**  
Technical Director

**4. Hellen Simime**  
Environment and Alternative  
Fuel Manager

**5. Mr. Alfonso Velez**  
Managing Director





**“Our leadership team that served during the year ended 31 December 2024 and drove the Company towards new record heights in both business growth and towards sustainability”**

**6. Mr. Ali Ahmed**  
Director of Procurement

**7. Mr. Ahmed Elsawy**  
Plant Manager

**8. Mr. Jerome  
Mwakabaga**  
Health & Safety Manager

**9. Mrs. Evaline Mushi**  
Director of Human  
Resources

**10. Mr. Yves Mataigne**  
Commercial Director





## 12. Directors' Remuneration

The Company paid a total of TZS 64.1 million (2023: TZS 64.3 million) for services rendered by the Directors of the Company and members of the Audit Committee.

The remuneration for services rendered by the directors was as follows:

| Estimates in TZS'000     | 2024   | 2023   |
|--------------------------|--------|--------|
| Chairperson of the Board | -      | -      |
| Other directors          | 64,120 | 64,263 |

## 13. Key Management Personnel of The Company

The key management personnel who served the Company during the year ended 31 December 2024 were:

| Name                 | Position                                     |
|----------------------|----------------------------------------------|
| Mr. Alfonso Velez    | Managing Director                            |
| Mr. Peter James      | Finance Director                             |
| Mr. Simon Renaud     | Finance Director                             |
| Mrs. Evaline Mushi   | Director of Human Resources                  |
| Mr. Yves Mataigne    | Commercial Director                          |
| Mr. Gilles Covello   | Technical Director                           |
| Mr. Ahmed Elsayy     | Plant Manager                                |
| Mr. Jerome Mwakabaga | Health & Safety Manager                      |
| Mr. Ali Ahmed        | Procurement Director                         |
| Mr Gregory Ndimbo    | Internal Audit and Quality Assurance Manager |

• Peter James until 30th June 2024

• Simon Renaud from 1st July 2024

The Company has an independent internal audit function reporting directly to the Board audit committee. The Internal Audit and Quality Assurance Manager is Mr Gregory Ndimbo



## 14. Risk Management

Operating within a dynamic environment, TPCPLC is subject to a range of external, operational, and financial risks. To manage these risks, the company has implemented a comprehensive framework for Risk Management and Internal Control, which is supported by appropriate governance and tools. By adopting this process, the company can identify, assess, mitigate, and monitor its overall risk exposure, while integrating forward-looking risk analysis into all strategic decision-making. This approach helps to minimize the probability and impact of any potential adverse events.

The Board has the final responsibility for the risk management and internal control systems of the Company. The Board has tasked the company management to ensure adequate internal financial and operational control systems are developed, maintained, and functional on an ongoing basis in order to provide reasonable assurance of the effectiveness and efficiency of operations.

This will ensure that

- The Company's assets are safeguarded,
- Compliance with the applicable laws and regulations,
- Reliability of the accounting records,
- Business sustainability, and
- Responsible behaviour towards all stakeholders.

### Identification and Assessment of Risks

Management and the internal control department regularly engage in the process of identifying risks, using various sources of information such as general macroeconomic data, industry-specific risk information, and identification tools and techniques. Additionally, they refer to an internal risk catalogue that documents financial and non-financial risk categories.

For each defined risk category, the likelihood is assessed with a minimum threshold of 10% and considering the expected impact, taking into account any risk mitigation measures already in place. A 12-month operational planning cycle is utilized to estimate the likelihood, and the effects on key parameters such as results from current operations (RCO), profit for the financial year, and cash flow are used as benchmarks to assess the potential impact. The risks are considered net of any mitigation measures.

The underlying scaling for the short-term risks incorporated into the planning cycle is as follows:

| Likelihood |              |
|------------|--------------|
| Unlikely   | 0% to 20%    |
| Seldom     | >20% to 40%  |
| Possible   | >40% to 60%  |
| Likely     | >60% to 100% |

### Risk Areas

We categorize risks that could have a significant impact on our assets, finances, and earnings into five categories: financial risks, strategic risks, operational risks, legal and compliance risks, and climate risks. These categories are based on our internal risk catalogue and establishment from our main shareholder. We will focus our risk assessment only on those risks that are deemed significant for our organization.

**Risk Management Continued**

Below is the change in risks in comparison to the previous year:

|                                      |   |
|--------------------------------------|---|
| <b>Financial risks</b>               | ↑ |
| <b>Strategic risks</b>               |   |
| Economic risks                       | → |
| Political and social risks           | → |
| Natural disasters/pandemics          | → |
| Raw material shortages               | → |
| Digitalisation                       | → |
| Skills shortages                     | → |
| <b>Operational risks</b>             | ↑ |
| <b>Legal and compliance risks</b>    | ↑ |
| <b>Climate risks</b>                 | → |
| <b>Market and reputational risks</b> | → |

Increased ↑ Stable → Decreased ↓

**Financial risks**

Our significant financial risk is currency risk and liquidity risk, as well as tax risks. We manage these risks primarily as part of our ongoing business and financing activities and, when required, by using derivative financial instruments. These risk areas are monitored continuously by the Company treasury department in coordination with the treasury department of our main shareholder.

**Currency Risk**

The most significant risk position with respect to financial risks is the currency risk, particularly the translation risk. The Company's functional currency (TZS) is exposed to fluctuation in the international currency market. This exposes the Company to foreign currency exchange risks. Management is constantly monitoring this risk and making appropriate decisions so that its impact is minimised. More details on foreign currency risk are included in Note 44 to the financial statements.

**Liquidity Risk**

Liquidity risk exists when a company is not able to procure or generate funds necessary to fulfil operational obligations or obligations entered in connection with financial instruments. For this case, the treasury department keeps close control and planning of cash flows depending on monthly plans and uncertainties that might come up or are expected to arise as well as ensuring diversification of funding sources, this includes proper management of credit risk, ensuring adequate control on the creditworthiness of our customers and optimum coverage of credit risk through bank guarantees, accredited letters of credit and others.

**Strategic Risks**

The global and country economic and social environment is constantly changing due to worldwide trends, such as climate change, demographic development, pandemics, digitalisation, and new technologies. These trends present both risks and opportunities. A company's ability to adapt to changes determines the impact of these trends on it. Risks arising from the changing trends may affect demand, price levels, and costs, and therefore the company's earnings. In the following, we describe and assess these risks and indicate measures taken to mitigate their impact.

**Economic risks**

The economic outlook is currently influenced by considerable risks. The baseline forecast is for global growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical (2000-19) average of 3.8%. Despite the world economic decline, Tanzania's annual GDP growth for the quarter ending September 2024 has improved to 5.9% compared to 5.3% for the quarter ending Dec 2023. Fuel prices in the country remain at a surge.

In case of a recession and a decrease in construction activity, the company may face a decline in demand and price pressure. We believe that the risk situation has tightened compared to last year. However, TPCPLC can partially mitigate this risk thanks to its diversified market portfolio and diversified sources of raw materials and spare parts which reduces dependence.

**Political and social risks**

The instability in the economic, social, or political landscape, such as shifts in government or heightened political tensions, civil unrest, and internal or international



## Risk Management Continued

conflicts, can have significant effects on our assets, business, environment, and reputation. These impacts can be either direct, such as security repercussions, or indirect, such as economic unpredictability. Furthermore, they may increase our vulnerability to a wide range of risks, such as compliance, tax, access to raw materials, and reduced cash flow.

In recent years, Tanzania has experienced impressive political and economic progress and has made notable improvements in social welfare. Although the political situation has been relatively stable over time, sudden changes in the political or social landscape can directly affect the Company's performance by impeding market outreach or obstructing the sourcing of raw materials or energy. As a result, TPCPLC conducts a systematic assessment of these risks to ensure prompt mitigation in the event of their occurrence.

### **Natural disasters/pandemics (Unforeseen external incidents)**

Our business performance could be adversely affected by unforeseeable external incidents, such as natural disasters or pandemics. Typically, natural disasters and pandemics occur suddenly. However, after careful evaluation, we have determined that there is no significant risk of such incidents significantly impacting our operations.

### **Raw material shortages**

The availability of raw materials has a significant impact on the cost and overall operations of our company, and consequently, it can significantly influence our financial results. We consider raw material shortages to be an industry-specific risk that could gradually affect our company. We believe that the risk outlook has remained the same compared to last year. To mitigate this risk, TPCPLC continuously monitors our raw material reserves, and local availability, and secures alternative raw materials wherever feasible.

### **Digitalisation**

The business world is undergoing fundamental changes due to the digital transformation. The rise of new digital and networked technologies, as well as increasing automation, may challenge existing business models and create opportunities for new ones. The construction and building materials industry is also gradually changing due to digitalization, which could aid in achieving climate neutrality in building design and construction. This shift could result in the construction of more energy-efficient and long-lasting buildings with lower emissions, potentially reducing cement consumption. Digitalization could also increase efficiency and

productivity, such as real-time data analysis from networked systems, predictive maintenance, and better inventory and production process management.

Insufficient progress in digitalization may lead to a loss of efficiency and competitiveness. We consider digitalization as a general risk with a potential impact on the company, gradually occurring over time. We assess the risk level to be unchanged from the previous year. TPCPLC proactively explores and invests in new technologies to capitalize on new digital developments as early as possible.

### **Skills shortage**

As our experienced employees age, there is a possibility of a shortage of experienced and qualified workers, which may lead to lower productivity and increased personnel expenses, ultimately raising production costs. We expect the risk level to remain unchanged from the previous year. To mitigate this risk, TPCPLC implements personnel development programs to attract and retain employees, such as cross-departmental or transnational career paths through our main shareholder.

### **Operational Risks**

Operational risks mainly comprise risks concerning the development of energy and raw material costs and their availability. We also consider regulatory risks related to environmental constraints, as well as production, quality, and IT risks. Operational risks have risen compared to the previous year.

### **Energy prices and availability**

Energy is key in the operational activities of the Company and thus, reliable power and gas supply and prices represent a considerable risk to the Company.

The Company depends heavily on the power supply from Tanzania Electric Supply Company Limited (TANESCO). Over the years, there have been significant improvements in power supply, though power cuts still pose a significant risk on operations.

Natural gas is used in the clinker-burning process, to produce our clinker. The company heavily depends on natural gas and thus any significant price changes or shortages have a detrimental impact on the company's operations and production. In recent years, natural gas costs have continued to increase beyond the market development.

We consider this risk to be of a medium to high risk with a high likelihood and a significant impact.



**Risk Management Continued****Availability of raw materials and additives**

To produce cement, TPCPLC needs substantial quantities of raw materials, which are primarily obtained from its deposits. The limestone quarry owned by TPCPLC marks the starting point of the cement manufacturing process. Limestone is mixed with a proportional amount of red soil to create the raw meal, which is finely blended and fed into kilns to produce clinker. The availability of limestone is critical for uninterrupted operations, and the Company ensures that it has sufficient limestone deposits to meet its needs.

**Production-related risks**

The cement industry involves complex technology for processing and storing raw materials, additives, and fuels, and is considered an asset-intensive industry. There is a risk of personal injury, material damage, and environmental damage due to accidents and operating risks, which may cause disruptions in operations. TPCPLC has a risk transfer strategy that sets deductibles for insurance programs based on failure analyses spanning several years.

Although the risk of insufficient insured amounts in the event of damage, particularly from rare and severe types of damage like natural disasters, is present, it is deemed to be low. To prevent the possibility of damage and its consequences, we rely on various surveillance and security systems in our plant, integrated management systems that include high safety standards, as well as regular checks, maintenance, and servicing. We offer appropriate training to all employees to increase their awareness of potential dangers. Overall, production-related risks are deemed to be low and unlikely, with a low impact.

**Quality risks**

Cement is subject to strict standardisation. If supplied products do not meet the prescribed standards or the customer's quality requirements, we risk losing sales volumes, facing claims for damages, and/or damaging our customer relationships. TPCPLC ensures compliance with the standards from our main shareholder and third-party laboratories utilizing fine-meshed quality assurance in parallel with every process step as well as final inspections. Quality assurance controls are also carried out by independent experts as part of the extensive quality assurance programmes already in place. Overall, we consider the quality risks as a low and unlikely risk with a low impact. The Company ensures compliance with the standards at its laboratory and standard certification by the Tanzania Bureau of Standards (TBS) (ISO 9001 Certification).

**IT risks**

Our business processes, communication, sales, logistics, and production are supported by IT systems, which can pose two main areas of risk: the unavailability of IT systems due to failures or human error, and the threat of deliberate harmful actions by both external and internal actors.

**To minimize IT systems availability-related risks:**

We have implemented backup procedures and standardized IT infrastructures and processes. Our internal software development teams work with IT experts from our main shareholder to use agile, iterative processes that prioritize identifying and managing risks. For sensitive use cases that interact with our transactional ERP solutions, we conduct small pilot tests with trusted partners in a structured manner to quickly identify and address risks in the early stages of development.

**To minimise external and internal cyberattacks:**

Given the current geopolitical situation and the growing trend of cyberattacks as a business model, both internal and external cyberattacks pose a significant threat. To address this, we have implemented a zero-trust strategy and are increasing security mechanisms in multiple areas. Our cybersecurity team, with the support of our main shareholder, is taking measures to enhance the security of our identification mechanisms, thereby securing user identities. Additionally, we have started using automated methods to analyse unusual user behaviour.

In general, the threat level has increased, leading us to consider the risk of system or application outages as a medium risk (compared to the previous year's low risk) with a moderate impact (similar to the previous year's moderate impact) and an unlikely likelihood (but still possible).

**Legal and compliance risks**

Our important legal and compliance risks include risks from ongoing proceedings and investigations, as well as risks arising from changes in the regulatory environment and the non-observance of compliance requirements. We are closely monitoring ongoing legal proceedings from a legal standpoint, and we have made appropriate financial provisions as per the legislative requirements to cover any potential negative impact from these proceedings.

Based on our compliance risk assessments, we have determined that TPCPLC faces a moderate compliance risk. However, the financial risk associated with compliance violations is considered low, based on the compliance cases reported and confirmed during the reporting period.



**Risk Management Continued****Climate Risks**

In Tanzania, where our operations are based, the climate plays a crucial role in the cement industry. Extreme weather patterns, such as heavy rainfall or winds, can significantly affect both the availability and accessibility of raw materials essential for cement production and sales distribution. However, Tanzania enjoys a generally stable climate with predictable weather patterns, which mitigates some of the risk. Unlike regions prone to frequent storms or temperature fluctuations, Tanzania's relatively consistent climate provides a favourable operating environment for cement production. Furthermore, stable climatic conditions contribute to consistent construction activity throughout the year, as adverse weather events that could halt construction projects are uncommon and seasonal.

Thus, while we acknowledge the influence of climate on cement demand and sourcing, we assess the associated risk as stable within the Tanzanian context.

**Market and reputational risks**

One of the primary market risks for TPCPLC is competition, which is increasing in the Tanzanian market, recently with the inclusion of imported cement in the market. However, TPCPLC is well-positioned to maintain its competitive edge by relying on its high-quality cement, strong brand, skilled workforce, and effective management practices.

As the transition to a low-emission economy continues, there is a market risk associated with changes in consumer preferences. This could result in an increased substitution of cement with other building materials that are perceived to have a lower carbon footprint. Additionally, there is a risk of rising costs for raw materials, which may be partly driven by the transition to a low-emission economy.

To ensure future production, we are taking steps to secure sufficient quantities of alternative fuels and raw materials. In addition, we recognize that failure to meet our sustainability targets promptly may result in negative feedback from certain stakeholders, which could pose a reputational risk to the company. Effective communication can help mitigate these risks. Overall, we consider market and reputational risks to be general risk that could have a gradual impact on TPCPLC. We believe that the risk outlook is stable compared to the previous year.

**Overall risk assessment**

The Board of Directors has evaluated TPCPLC's overall risk situation by consolidating all major and individual risks. Based on this examination, the Board is confident that there are no significant risks that would pose a threat to the company's status as a going concern, either independently or in combination with other risks. There have been no significant changes to TPCPLC's risk situation between the reporting date and the preparation of the 2024 financial statements. The company has a robust financial foundation, and its liquidity position is strong.

## 15. Key Strengths, Strategies, And Resources

In pursuit of our objectives, the key strengths, and resources (both intangible and tangible) available to the Company are:

### Competent Management and Personnel

The most important singular resource of the Company is its human capital. The Company's operations are managed by competent and qualified management teams who drive the day-to-day activities to achieve the Company's objectives. The management team is supported by committed and highly skilled employees who are well experienced in cement technology and industry. The Company employs qualified and competent personnel and also invests in their training.

### Strong Brand and Quality Products

Twiga Cement is a well-known cement brand in the market and is synonymous with high quality. The brand and quality of TPCPLC products give the Company a competitive advantage in the market. To meet the quality demand of the market, the Company produces six cement products i.e., Twiga Ordinary (CEM I 42.5N), Twiga Plus (CEM IIB-L 42.5N), Twiga Extra (CEM IIB-L 32.5R), Twiga Jenga (MC-22X), Twiga Super (CEM IIB-L 32.5N) and Twiga Mega (CEM III/B-SR 42.5N). The quality of finished goods produced is maintained through consistent quality testing of all the raw materials at every stage of production and the finished goods produced.

### Strong Distribution Network

With a well-defined, diversified distribution network and the fleet of trucks owned by the distributors of the Company, our products can reach remote parts of the country. The Company also exports its products to various countries in the Central and East African Sub-Region.

### Market Position

Twiga Cement is the preferred brand in the market and thus gives TPCPLC a competitive position. TPCPLC's market competitiveness is reinforced by its proximity to the main Dar es Salaam market.

### Technical Support

Heidelberg Materials AG, which is the ultimate Holding Company, is the global market leader in aggregates and a prominent player in the fields of cement, concrete, and other related downstream activities, making it one of the world's largest manufacturers of building materials. TPCPLC benefits from worldwide technical support in the cement business.

### High-Quality Limestone Reserves

Limestone is the main material in cement production. The Company has adequate reserves for the cement production capacity.







## 16. Stakeholders' Relationship

**Employees** – The company put in place programs and initiatives that focus on the improvement of the employee's welfare, keeping priorities on the health and safety and training of employees. Furthermore, the company works closely with the employee's union (TUICO) to ensure that all issues relating to employees are addressed. The company has maintained a good relationship with TUICO.

**Customers** – The company is customer-oriented and is fully committed to providing value-added services, experience, and quality products to customers. Our team is determined to keep a competitive edge in our operations as well as in the market.

**Suppliers** – Provide raw materials, services, spare parts, etc., that are key to the operation of the plant. The company provides an opportunity to all through the tendering process, supplier forums, site visits, and favourable terms to ensure the sustainability of operations.

**Local communities** – The the company is engaged in several initiatives that ensure that matters about the communities are addressed. The company ensures that it budgets for community initiatives in the areas of education, health care, women, and children.

**Government and Regulators** – These are responsible for the provision of policies, permits, and licenses. The company continues to work closely with the government and regulators through industry bodies, and public forums. The company has in place programs to ensure that its operations comply with the various laws and regulations including environment, health, and safety. Furthermore, the company ensures that its operations promote economic and industrial development in the country.

## 17. Political Donations

The Company did not make donations to any political parties or political causes during the year.

## 18. Corporate Social Investment

During the year under review, the Company demonstrated its commitment to social responsibility by donating and contributing TZS 79.1 million. These contributions were made both in monetary terms and in-kind targeting children, women, health care, and education.

## 19. Dividends

The Directors recommend payment of TZS 107.95 billion (TZS 600 per share) to shareholders as the final dividend for the year 2024. The final dividend will be approved in the annual general meeting. During the year the Company declared TZS 70.17 billion (TZS 390 per share) as the final dividend for the financial year 2023.

There was no payment of interim dividend relating to the year ended 31 December 2024. In making this proposal, the Directors have taken into account the financial situation of the Company and its future needs for implementing replacement and improvement projects.

## 20. Subsequent Events

There are no other events after the reporting period which require adjustment to, or disclosure, in the financial statements.





## 21. Related Party Transactions

The ultimate Parent Company of TPCPLC is Heidelberg Materials AG, listed on the Frankfurt Stock Exchange in the Federal Republic of Germany. Heidelberg Materials AG owns indirectly 100% of Scancem International DA of Norway, which in turn owns 69.25% of the TPCPLC shares.

During the year, the Company transacted with related parties, this mainly includes the exportation of coal to HM Trading GMBH. Details of related party transactions are shown in Note 40 of the financial statements.

## 22. Share Capital

The total issued share capital of the Company amounts to 179,923,100 ordinary shares (2022: 179,923,100 ordinary shares). There is no change in the issued share capital. The capital structure of the Company is outlined in Note 30.

The shareholding of the Company is as stated below:

| Name                                            | 2024              | 2023              |
|-------------------------------------------------|-------------------|-------------------|
|                                                 | %<br>Shareholding | %<br>Shareholding |
| Scancem International DA                        | 69.25             | 69.25             |
| General Public                                  | 22.78             | 22.78             |
| Government Pension funds                        | 7.75              | 7.75              |
| Wazo Hill Saving and Credit Cooperative Society | 0.22              | 0.22              |
|                                                 | <b>100.00</b>     | <b>100.00</b>     |

## 23. Accounting Policies

The financial statements are prepared on the underlying assumptions of a going concern. The material accounting policies which are laid out in Note 3 to the financial statements are subject to annual review to ensure continuing compliance with IFRS Accounting Standards.

## 24. Shareholders Of The Company

The total number of shareholders as at 31 December 2024 was 9,273 shareholders (2023: 9,273 shareholders), with 179,923,100 ordinary shares (2023: 179,923,100 ordinary shares). The following were the ten largest shareholders of the Company:

| Name                                                              | Nationality | 2024 % of<br>Shareholding | 2023 % of<br>Shareholding |
|-------------------------------------------------------------------|-------------|---------------------------|---------------------------|
| Scancem International DA                                          | Norwegian   | 69.25                     | 69.25                     |
| Public Service Social Security Fund                               | Tanzanian   | 6.16                      | 6.16                      |
| Standard Chartered Bank Uganda                                    | Ugandan     | 5.28                      | 5.28                      |
| National Social Security Fund                                     | Tanzanian   | 1.24                      | 1.24                      |
| African Lions Fund LTD                                            | Tanzanian   | 1.03                      | 0.93                      |
| Umoja Unit Trust Scheme                                           | Tanzanian   | 0.99                      | 0.99                      |
| Murtaza Basheer Nasser                                            | Tanzanian   | 0.90                      | 0.90                      |
| Said Salim Awadh Bakhresa                                         | Tanzanian   | 0.77                      | 0.77                      |
| Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri | Tanzanian   | 0.59                      | 0.52                      |
| Gak Patel & Co. LTD                                               | Tanzanian   | 0.36                      | 0.30                      |

## 25. Stock Exchange Information

On 29 September 2006, the Company went public, and its shares started to trade at the Dar es Salaam Stock Exchange. During the year 2024, shares of the Company were continuously traded in the secondary market through auctions organised by the Dar es Salaam Stock Exchange (DSE). In the year 2024, the performance of the Company's shares in the secondary market was as follows: Market capitalisation as at 31 December 2024 was TZS 647.7 billion (2023: TZS 766.5 billion). The share price prevailing as at 31 December 2024 was TZS 3,600 per share, compare to TZS 4,260 per share, one year earlier. The IPO price was TZS 435 per share.

## 26. Serious Prejudicial Matters

During the year, there were no serious judicial matters to report as required by the Tanzania Financial Reporting Standard No. 1 (Report by those charged with Governance).

## 27. Statement Of Compliance

The Report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 "TFRS 1" (The Report by those charged with governance).

## 28. Auditors

### Details

The information of the Company's auditors for the period covered by the report is:

PricewaterhouseCoopers  
Pemba House  
369 Toure Drive  
Oyster Bay  
P.O. Box 45  
Dar es Salaam, Tanzania

Website: <https://www.pwc.co.tz/>

Firms' PF Number: PF 047

TIN: 100212285

The engagement partner who was in charge of the audit of the Company during the period has registration number: ACPA-PP 1981

### Appointment for 2024

PricewaterhouseCoopers (PwC) was appointed to be the Company's auditor for the year 2024. PwC has also expressed willingness to continue with the appointment and is eligible to apply for a re-appointment. A resolution proposing the appointment of the auditor for the next financial year will be put in the Annual General Meeting.

## 29. Responsibility Of The Auditor

The Auditor is responsible for providing assurance of the correctness and consistency of all information contained in the report by those charged with governance with those provided in the financial statements.

## 30. Responsibility By those Charged With Governance

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations, and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislation relevant to the Company.

### By order of the Board of those charged with Governance

Approved by the Board of Directors on **9<sup>th</sup> June 2025** and signed on its behalf by:

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: OSWALD URASSA Title: DIRECTOR Signature: 







## 04

Ripoti ya Wale  
Wanaohusika na  
Uongozi

**Wakurugenzi wanawasilisha ripoti na taarifa za fedha zilizokaguliwa kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2023 ambazo zinafafanua hali ya Kampuni ya Tanzania Portland Cement Public Limited ("Kampuni" au "TPCPLC").**



#### 4 Operesheni za Kampuni

##### Shughuri Kuu

Shughuli kuu ya Kampuni katika mwaka huo ilikuwa ni uzalishaji wa saruji katika kiwanda chake kilichopo Tegeta-Wazo Hill, Dar Es Salaam, Tanzania na uuzaji wa saruji ndani na nje ya Tanzania.

Mamba Cement Company Limited, kampuni tanzu, inajihusisha na uchimbaji wa chokaa. Kampuni hii iko katika hatua za uchunguzi wa madini na bado haijoanza shughuli za uzalishaji.

#### 5. Mazingira ya Kiuchumi na Soko

##### Mazingira ya Kiuchumi

Katika kipindi cha mwaka wa 2024, uchumi wa dunia uliendelea kukua kwa kiwango cha wastani, kwa utabiri wa ukuaji wa asilimia 3.2, katika awamu ya ukuaji wa wastani na ongezeko la hali ya kutoeleweka kwa sera za kiuchumi. Bei za nishati na malighafi zilibakia kuwa juu. Migogoro zaidi ya kijografia, kama vile mzozi katika Mashariki ya Kati, imeongeza mzigo zaidi kwa uchumi wa dunia.

Tanzania ilishuhudia wastani wa mwaka wa mfumuko wa bei kwa mwaka 2024 ukiongezeka hadi asilimia 3.1 ikilinganishwa na wastani wa asilimia 3.8 wa mwaka uliopita, hali hii ikiletwa na kuimarika kwa sekta ya utalii, kuboreka kwa taratibu kwa minyororo ya usambazaji na mageuzi yaliyolenga kuunga mkono shughuli za kiuchumi. Vilevile, ukuaji wa Pato la Taifa (GDP) kwa robo ya mwaka iliyoishia Septemba 2024 umeimarika hadi asilimia 5.9 ikilinganishwa na asilimia 5.3 kwa robo iliyoishia Desemba 2023.

#### 1. Usajili

Kampuni imesajiliwa nchini Tanzania chini ya Sheria ya Makampuni ya Tanzania, 2002 kama Kampuni inayomilikiwa kwa hisa.

#### 2. Dira Yetu

**Kujenga chapa imara, kuwa kinara katika soko na kuwa chaguo la kwanza kwa watumiaji wa saruji Tanzania.**

#### 3. Malengo Yetu

Kuwaridhisha wateja kwa kuwapa bidhaa na huduma zenye ubora wa kiwango cha juu kwa gharama nafuu

#### Mazingira ya Soko

Tanzania inaendelea kuwa soko lenye changamoto nyingi, na mwaka 2024 ulijikita katika matatizo mbalimbali. Taswira ya ushindani ilianyesha kuwepo kwa viwanda vya saruji kumi na tatu vinavyofanya kazi nchini Tanzania, huku matumizi ya uwezo wao wa uzalishaji yakiwa chini ya asilimia 60.

Mwaka umegawanyika katika sehemu mbili, nusu ya kwanza ya mwaka ilishuhudia kupungua zaidi kwa matumizi ya saruji kutokana na kushuka kwa matumizi kwenye miradi ya miundombinu, pamoja na athari za hali ya hewa zilizosababishwa na El Nino. Nusu ya pili ya mwaka, kwa upande mwingine, ilishuhudia kurejea kwa uhai wa soko, kwa kiasi kikubwa kutokana na sekta binafsi na matumizi ya walaji. Mambo haya yamesababisha ongezeko dogo la matumizi ya saruji mwaka 2024 ikilinganishwa na 2023.

Mwaka 2025 unatarajiwa kuendelea kuwa na hali ya kutokuwa na uhakika; uzalishaji mkubwa kupita kiasi utaendelea kuwepo katika mwaka wa uchaguzi, huku kukiwa hakuna mwanga wa wazi juu ya kurejea kwa miradi ya miundombinu.

#### Mazingira ya Utendaji

Ndani ya upeo wa uendeshaaji, TPCPLC inakabiliwa na gharama kubwa za uzalishaji hasa katika ghorama za nishati ambazo zinaunda sehemu kubwa ya matumizi ya uzalishaji, bei inayoongezeka ya malighafi inaongeza shinikizo kwa faida.

Mfumo wa udhibiti wa shughuli unaendelea kubadilika na mada zaidi zinakuja, tunaendelea kushirikiana kwa karibu na mamlaka mbalimbali kuhakikisha utekelezaji kamili na suluhisho.



## 6. Mfumo wa Biashara

Kama mzalishaji mkubwa wa saruji nchini, TPCPLC ina rekodi nzuri ya mauzo. Bidhaa zetu zinakidhi mahitaji yanayoongezeka ya makazi, usafiri, na maendeleo ya kiuchumi nchini Tanzania na Africa Mashariki kwa kusaidia ujenzi wa majengo ya makazi, biashara, na viwanda. Pia, tumejitolea kufikia usawa wa kaboni katika utengenezaji wa saruji na tunafanya kazi kuelekea teknolojia endelevu na za akili za saruji huku tukitoa suluhisho za kidijitali kwa wateja wetu.

Muundo wetu wa biashara unajumuisha muunganiko wa thamani kutoka kwenye uchimbaji wa malighafi hadi usindikaji wa saruji na usambazaji kwa wateja. Shughuli zetu zinaungwa mkono na vituo vya Umahiri vya kati kwa Teknolojia, ambavyo vinamilikiwa na mbia wetu mkuu. Tunafanya utafiti wa kijiolojia waakiba za malighafi, tunatathmini athari za mazingira, tunachimba malighafi, tunakarabati maeneo yaliyochimbwa, na kuzalisha saruji kama sehemu ya mchakato wetu wa uendeshaji.

### Bidhaa

Saruji ni bidhaa yetu kuu. Tunagawanya saruji yetu ya ubora wa juu kulingana na nguvu yake toka mwanzo wa uzalishaji, Pamoja na muundo wake. Wateja wetu wasaruji ya kiwango cha juu wanatoka katika miradi ya ujenzi ya kawida, miradi ya miundombinu ya serikali, wazalishaji wa zege, na rejareja kwa njia ya mtandao wetu wausambazaji. Bidhaa zetu za saruji zinapatikana katika mifuko midogo, mifuko mikubwa, na kwa wingi.

Kwa maneno rahisi, rejea hapo chini orodha ya bidhaa zetu za viwango vya juu;

|                                                                                     |                                        |                                                                                     |                                                                                                                      |
|-------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
|    | <b>Twiga Ordinary (CEM I 42.5N)</b>    |    | Hasa hutumika kwa ajili ya kufanya zege ya ubora wa juu na ujenzi wa jumla wa majengo makubwa, mabwawa, na madaraja. |
|  | <b>Twiga Plus+ (CEM II B-L 42.5N)</b>  |  | Hasa hutumika kwa ujenzi wa matofali, majengo makubwa na ya kati, mabwawa na madaraja, n.k.                          |
|  | <b>Twiga Extra (CEM II B-L 32.5 R)</b> |  | Hasa hutumika kwa ujenzi wa nyumba na utengenezaji wa matofali, n.k.                                                 |
|  | <b>Twiga Super (CEM II B-L 32.5N)</b>  |  | Hasa hutumika kuboresha nguvu ya kushikamana kwa udongo, hasa katika ujenzi wa Barabara, n.k.                        |
|  | <b>Twiga Jenga (MC 22.5 X)</b>         |  | Hasa hutumika kwa ubandikaji wa vigae, marekebisha madogo ya nyumba, utengenezaji wa matofali, n.k.                  |
|                                                                                     | <b>Twiga Mega (CEM III/B-SR 42.5N)</b> |                                                                                     | Saruji ya joto la chini inafaa kwa matumizi katika ujenzi wa zege kubwa.                                             |

### Umuhimu wa kujumuisha uendeleu katika muundo wa biashara

Tunalenga kufanya maboresho makubwa katika kupunguza athari za mazingira za shughuli zetu za biashara na kupunguza uzalishaji wa kaboni. Kama mzalishaji wa saruji anayeongoza nchini, tunatambua jukumu letu katika kuongoza njia katika kuendesha uzalishaji endelevu katika viwanda vya saruji nchini. Lengo letu ni kuchangia sana katika uzalishaji endelevu wa saruji na kufikia uwiano wa kaboni kwa kuzingatia pia uwajibikaji wa kijamii na mazingira.

Kufikia lengo letu, ulinzi wa mazingira ni kipengele muhimu katika mkakati wetu wa kibiashara. Tunaelewa kwamba uzalishaji wa saruji unazalisha hewa chafu ya kaboni (CO<sub>2</sub>) kutokana na michakato ya kikemikali inayohitajika kwa kuchoma klinka, ndio maana tunazidi kuongeza matumizi yetu ya malighafi na nishati mbadala ili kupunguza uzalishaji wa kanoni (CO<sub>2</sub>).

Pia tunafanya kazi katika kuongeza ufanisi wa michakato yetu ya uzalishaji ili kuongeza ufanisi wa nishati wakati pia tukisaidia uzalishaji mzunguko na uchumi imara wa mzunguko imara ili kupunguza matumizi ya malighafi asilia. Katika ngazi ya bidhaa, tunaweka kipaumbele katika uzalishaji wa saruji yenye kiwango cha chini cha kaboni, matumizi ya bvifaa vilivyosindikwa tena, na kuwekeza katika teknolojia mpya ili kusaidia lengo letu la kufikia uwiano wa kaboni (carbon neutrality)



**Thamani tuliyojenga**

Faida ya Uendeshaji

**TZS bil 79.3**

2023: TZS bil 141.4

Faida baada ya kodi

**TZS bil 56.7**

2023: TZS 99.2 bn

Mzunguko wa fedha za uendeshaji

**TZS bil 124.1**

2023: TZS bil 95.6bn

**Manufaa kwa Wadau**

Kwa Wanahisa wetu:

Mapato na Ukuwaji

Kwa Wateja wetu:

Bidhaa Bora

Kwa Serikali:

Kodi na Bidhaa

bora kwa ajili ya

maendeleo ya

miundombinu

Kwa Jamii:

Maendeleo ya kitaaluma

ya watu na mazingira

**Ushawishi kutoka Nje**

Mbali na hali ya hewa na ukuaji wa kiuchumi na idadi ya watu, uendeshaji na maendeleo ya kiuchumi ya TPCPLC yanategemea kwa kiasi kikubwa mabadiliko katika bei za nishati na malighafi katika masoko ya ndani na ya kimataifa, mabadiliko katika mazingira ya udhibiti, na ushindani katika masoko yetu ya saruji.

**Udijitali**

Udijitali – ikiwa ni pamoja na bidhaa na matumizi ya kidijitali ina umuhimu sana katika mlolongo mzima wa thamani wa kampuni yetu, kutoka uchimbaji wa malighafi, uzalishaji, na usafirishaji kwa wateja wetu. TPCPLC imejiwekea lengo la kuwa kampuni inayoongoza katika teknolojia katika sekta yasaruji. Lengo letu ni kutumia suluhisho za kidijitali kuchangia katika ukuaji wa kampuni na kuongeza ufanisi katika uzalishaji na utawala. Mkakati wetu wa kuuza saruji kidijitali ni kufikia 75% ya kiasi cha mauzo yetu kupitia interface za kidijitali kwa wateja (customer portal app) mwaka 2023.

**Portfolio ya Kampuni**

Portfolio yetu ya wateja inajumuisha masoko yaliyostawi na masoko yanayokua, na tunachukulia kuwa ni ulimara wa masoko yetu. Lengo letu ni kupangilia portfolio ya wateja wetu kwa njia ya usimamizi thabiti na kuweka kuapumbele kwenye masoko imara kwa kutumia vigezo vya kifedha na visivyo vya kifedha kuyatambua masoko haya.

Tunapanga kuongeza uwepo wetu katika masoko yenye ushawishi wa kukua, wakati pia tukiongeza uunganishaji wima kwenye mlolongo wa thamani katika masoko ambapo kufikia ukuaji kubwa na kuimarisha nafasi yetu sokoni. Zaidi yahayo, tutaendelea kuwekeza katika uzalishaji endelevu na dijitali, tunayaona maeneo haya kua na mabadiliko chanya na hivyo tutapanua portfolio yetu katika maeneo haya.

**Utengenezaji wa thamani kwa wanahisa Wetu**

Ili kufikia thamani endelevu na kupima mafanikio ya biashara yetu, tumeweka viashiria muhimu vya utendaji vinavyohusika kwa uongozi. Hivi ni pamoja na matokeo ya uendeshaji wa sasa (RCO), marejesho ya mtaji uliowekezwa (ROIC), na uzalishaji wa CO2. Pia, tunatumia viashiria vya ukuaji mapato, faida ya uendeshaji wa sasa kabla ya uchakavu (RCOBD) na uwiano wa mikopo kama taarifa za ziada.

Ili kutathimini na kufikia malengo yetu ya kimkakati, tumeweka mfumo wa usimamizi unaolenga thamani. Mfumo huu unajumuisha kupanga uendeshaji wa kila mwaka, usimamizi na udhibiti kwa kipindi chote cha mwaka, mikutano ya usimamizi kila mwezi, na mikutano ya mara kwa mara ya idara.

Tumeweka mfumo kamili wa ripoti za mfumo maalumu ili kusimamia na kudhibiti uendeshaji wa kampuni kwa kipindi chote cha mwaka. Ripoti hizi zinajumuisha mali za TPCPLC, hali ya fedha, na nafasi ya faida, na viashiria vilivyotumika ni sawa katika kampuni nzima. Ripoti za kila wiki za mzunguko

wa fedha na ripoti za kila mwezi zinajumuisha faida ya uendeshaji, uzalishaji, na ukarabati zinaandaliwa.

Ripoti za kifedha za kina zinapatikana mwishoni mwa kila mwezi na kila robo ya mwaka. Wakati wa mikutano ya uongozi ya robo ya mwaka, uongozi wa TPCPLC na mameneja wa kikundi cha mmiliki mkuu wanajadili maendeleo ya kibiashara, pamoja na kufikia malengo, matarajio ya mwaka wa fedha, na hatua zinazohitajika kulingana na utabiri wa robo ya mwaka ya TPCPLC.



## Business Model Continued

## Utafiti na Maendeleo

Juhudi za utafiti na maendeleo (R&D) za TPCPLC zinalenga kuunda bidhaa za ubunifu, kugundua fomula mpya za bidhaa, na kuboresha michakato ya uzalishaji ili kupunguza matumizi ya nishati, kuhifadhi rasilimali, kuimarisha uchumi wa mzunguko, kuonguza uzalishaji wa CO2 na gharama, na kuwaridhisha wateja wetu zaidi.



## Matokeo ya Uendeshaji

Mtazamo wa TPCPLC kwa nambari:

| Hesabu TZS Million                        | 2024    | 2023    | Change% |
|-------------------------------------------|---------|---------|---------|
| <b>Taarifa Ya Mapato na Matumizi</b>      |         |         |         |
| Mapato                                    | 448,586 | 490,172 | -8.5%   |
| Faida ya uendeshaji                       | 79,281  | 141,433 | -43.9%  |
| Faida kwa mwaka wa fedha                  | 56,674  | 99,184  | -42.9%  |
| Faida kwa kila hisa (TZS)                 | 315     | 551     | -42.9%  |
| Gawio kwa kila hisa (TZS)                 | 600     | 390     | 53.8%   |
| <b>Mali isiyohamishika na Vifaa (PPE)</b> | 22,190  | 11,966  | +85.4%  |
| <b>Uchakavu wa mali za kudumu</b>         | 19,685  | 21,819  | -9.8%   |
| <b>Hesabu ya mali</b>                     |         |         |         |
| Rasilimali za kudumu                      | 180,125 | 138,555 | +30.0%  |
| Rasilimali za muda mfupi                  | 300,732 | 307,132 | -2.1%   |
| Mtaji                                     | 314,899 | 328,557 | -4.1%   |
| Dhima za kudumu                           | 17,617  | 20,706  | -14.9%  |
| Dhima za muda mfupi                       | 148,340 | 96,424  | +53.8%  |
| Jumla ya Rasilimali                       | 480,857 | 445,687 | +7.9%   |
| <b>Uwiano</b>                             |         |         |         |
| Kiwango Cha Mapato ya Uendeshaji (OI)     | 17.7%   | 28.9%   | -11.2%  |
| Marejesho Rasilimali kabla ya kodi        | 16.2%   | 31.5%   | -15.3%  |
| Marejesho ya Mtaji                        | 18.0%   | 30.2%   | -12.2%  |
| Marejesho ya Mapato                       | 12.6%   | 20.2%   | -7.6%   |
| <b>Takwimu zisizo za kifedha:</b>         |         |         |         |
| Idadi ya wafanyakazi mwishoni mwa mwaka   | 263     | 257     | +2.3%   |

Maelezo ya kina ya matokeo ya uendeshaji yanapatikana kutoka ukurasa wa 126.

**Operational Performance** *Continued***Mapato na Matokea**

Uzalishaji wa klinka kwa mwaka 2024 ulishuka kwa asilimia 1.4 ukilinganisha na mwaka 2023. Hata hivyo, uzalishaji uliongezeka kwa asilimia 0.3 ukilinganisha na mwaka 2023. Tunaendelea kujitahidi kuboresha na kudumisha mashine ili kuhakikisha uwezo wa uzalishaji unaendelea kuwa wa kiwango kizuri.

Mapato pia yalipungua kutoka TZS bilioni 490.2 hadi TZS bilioni 448.6 mwaka 2024, ikiwa ni upungufu wa asilimia 8.5. Hali hii inachangiwa na kupungua kwa ukuaji wa soko la saruji kwa ujumla pamoja na kuongezeka kwa ushindani mkali sokoni.

Kutokana na kupungua kwa mauzo, TPCPLC ilirekodi asilimia 44 pungufu ya matokeo ya faida kwa mwaka ikilinganishwa na miaka iliyopita. Faida kwa mwaka ilikuwa TZS 56.7 bilioni (2023: TZS 99.2 bilioni). Jumla kuu ya mapato pia ilikuwa TZS 56.5 bilioni, pungufu kutoka TZS 99 bilioni mwaka 2023.

Bodi ya wakurugenzi itapendekeza kwa wanahisa mgawao wa gawio la TZS 600 kwa kila hisa (2023: TZS 390 kwa kila hisa).

**Nafasi ya kifedha**

Licha ya mazingira magumu ya soko na muktadha wa bei kubwa sana za nishati na mali ghafi na nyakati ngumu za utekelezaji ikilinganishwa na mwaka uliopita, mzunguko wa fedha kutokana na shughuli za uendeshaji kwa mwaka wa fedha 2024 uliongezeka kwa asilimia 13.6 mpaka TZS 108.6 bilioni (2023: TZS 95.6 bilioni), ukupita viwango vya miaka iliyopita.

Kutokana na mzunguko hasi wa fedha wa TZS 24.2 bilioni (2023: mzunguko hasi wa fedha wa TZS 18.5 bilioni), ukisukumwa zaidi na uwekezaji wa Mamba, mizani yetu ya fedha taslimu na fedha taslimu ilishuka kutoka TZS 131.4 bilioni mpaka TZS 115.3 bilioni

**Matarajio ya Mapato**

Tunatarajia ukuaji kiasi wa mapato ya saruji kwa mwaka 2025 kutokana na kuboreka kwa mazingira ya soko ikilinganishwa na mwaka uliopita, zaidi ni kutokana na hali nzuri ya hewa na mahitaji makubwa ya soko katika kipindi cha nusu mwaka, hata hivyo miradi mikubwa ya kiserikali haijafanya vizuri mpaka sasa. Kwa upande mwingine, TPCPLC itaendelea kuboresha muundo wake wa gharama, ikilenga zaidi katika kupunguza gharama zake za uzalishaji, usimamizi na mali ghafi, huku tukitarajia kuwa na ingezeko kidogo kwenye faida.

**Matarajio ya Baadaye ya Kampuni**

**Soko la saruji nchini Tanzania na ukanda mzima wa Afrika Mashariki limekuwa likikuwa kwa kasi katika miaka iliyopita. TPCPLC imefanya uwekezaji katika katika kuongeza uwezo wa uzalishaji, kurekebisha mistari ya klinka iliyokuwa imechakaa na kutambua vyanzo vya mali ghafi kwa mkakati iki kuhakikisha shughuli zake zinaendelea na kuweza kuendana na ukuaji wa soko.**

**Nguvu yetu zaidi ni kuendelea na mchakato wa uboreshaji na uendelezaji wa matumizi ya nishati, uwekezaji katika matumizi ya sola and kuendeleza nguvu za kuongeza matumizi ya nishati mbadala hivyo kupunguza athari ya CO2 katika mazingira kwa kupitia matumizi ya biomasi. Uongozi unatarajia kufikia zaidi ya asilimia 20% ya matumizi ya Nishati mbadala ifikapo mwaka 2025.**

**Tathmini ya Utatuzi**

Wakurugenzi wamepitia hali ya kifedha ya sasa ya kampuni na mikopo ya muda mfupi iliyopo. Kulingana na tathmini hii Pamoja na moango wa biashara wa sasa, Wakurugenzi wameridhika kuwa uwezo wa kifedha wa kampuni ni dhabitina ina uwezo wa kufanya biashara kama ilivyoielezwa na sheria ya Makampub=ni yam waka 2002 ys Sheris ya Tanzania na Viwango vya Taarifa za Fedha za Kimataifa.

**Matukio Makubwa**

Tarehe 13 Septemba 2024, Kampuni ya Saruji ya Tanzania Portland Public Limited ("TPC Plc") ilinunua hisa asilimia 95 katika Kampuni ya Saruji ya Mamba Limited ("MCCL") kutoka kwa Sura Holdings Limited kwa malipo ya pesa taslimu ya TZS bilioni 42.

Uwekezaji huo ulifanywa ili kupata hifadhi ya chokaa ambayo ni malighafi muhimu kwa uzalishaji wa saruji kutokana na uhaba wa hifadhi ya chokaa na vichanganyio katika TPCPLC. Hii itaiwezesha kampuni kupata hifadhi kubwa zaidi ya chokaa karibu na Dar es Salaam inayokadiriwa kuwa kilomita 125 kutoka kiwanda cha TPCPLC.







## Utawala Bora

TPCPLC inazingatia viwango vya juu vya Utawala Bora ili kuhakikisha thamani na mafanikio ya muda mrefu ya Kampuni na maslahi ya makundi mbalimbali ya wadau wake, kama wanahisa, wateja, wauzaji, wafanyakazi na jamii.



**TPCPLC ina taasisi tatu:** Mkutano mkuu wa wanahisa, bodi ya wakurugenzi na kamati ya ukaguzi. Majukumu na wajibu wa taasisi hizi yanategemea sana Sheria za Soko la Hisa na Katiba ya kampuni. Bodi ya Wakurugenzi inaamini kuwa Kampuni inazingatia kanuni za Utawala Bora zinazohitajika na Sheria za Soko la Hisa.

Wanahisa hutekeleza haki zao kabla au wakati wa mkutano mkuu na hivyo kutekeleza haki yao ya kupiga kura. Mkutano mkuu wa mwaka hufanyika katika miezi mitano ya kwanza ya mwaka wa fedha. Pia, wakurugenzi wa kampuni wanaoweza kuwakilisha wanahisa kulingana na maagizo wanapatikana kwa wanahisa ili kutekeleza haki zao za kupiga kura katika Mkutano Mkuu wa Kawaida.

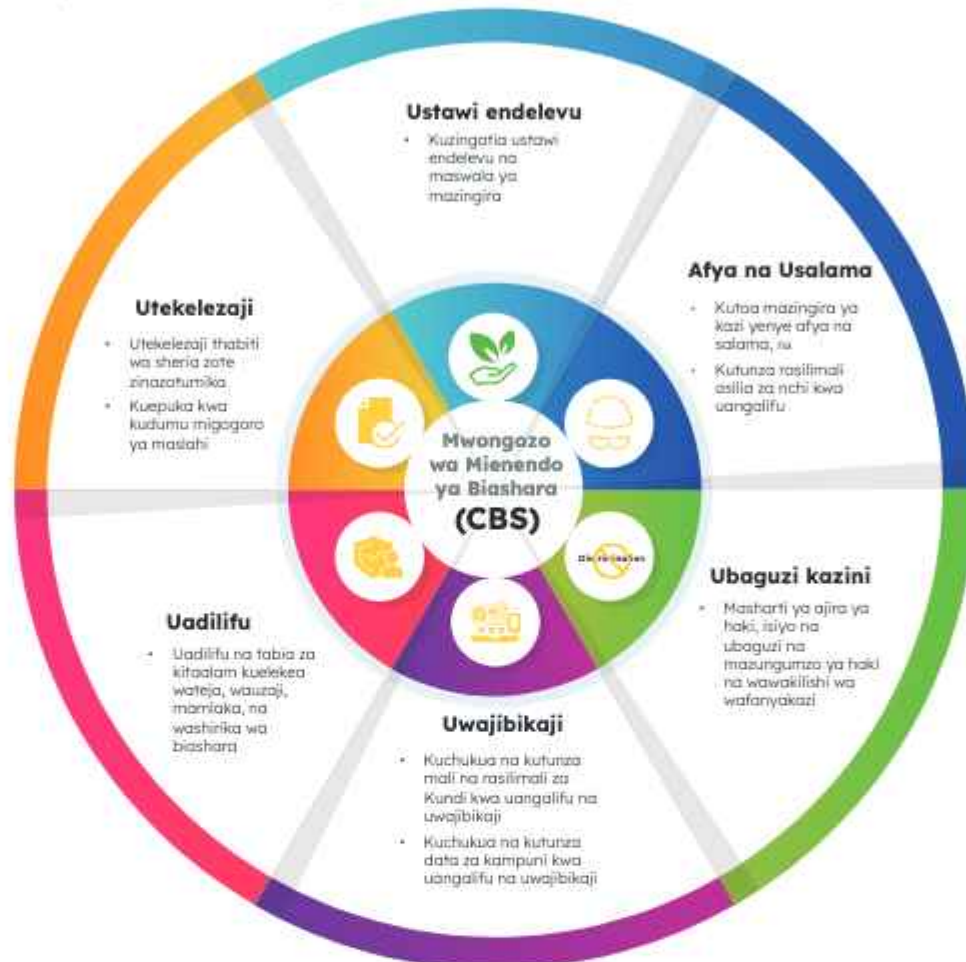
**TPCPLC has three institutions**





## Mwongozo wa Mienendo ya Biashara

**Mwongozo wa Mienendo ya Biashara ni wa lazima kwa Kampuni nzima. Mwongozo wa Mienendo ya Biashara unahitaji:**



Ili kuhakikisha kuwa sheria za Mwongozo wa Mienendo ya Biashara zinaeleweka na kufuatwa, wanachama wote wa Bodi ya Uongozi na wafanyakazi lazima wakamilishe mara kwa mara programu ya mafunzo mtandaoni



## 04

Bodi ya  
Wakurugenzi**Bw. Hakan Gurdal**

Mwenyekiti

Bw. Hakan Gurdal aliteuliwa kuwa Mwenyekiti wa Bodi ya TPCPLC mnamo Agosti 2016. Amesomea uhandisi wa mitambo katika Chuo Kikuu cha Yildiz Technical huko Istanbul na ana shahada ya Uzamili ya Usimamizi wa Kimataifa (MBA International Management) kutoka Chuo Kikuu cha Istanbul.

Alijiunga na Canakkale Cimento (ambayo sasa ni sehemu ya ushirikiano wa pamoja Akansa) mnamo 1992. Yeye ni mwanachama wa Bodi ya Uongozi tangu mwaka 2016; anahusika na eneo la Kundi la Afrika-Mediterranean Mashariki na Ununuz.

**Bw. Alfonso Velez**

Mkurugenzi Mtendaji

Bw. Alfonso Velez aliteuliwa kuwa Mkurugenzi Mtendaji wa TPCPLC tangu Agosti 2016. Mnamo Agosti 2017, aliteuliwa kuwa Mkurugenzi Mkuu wa Afrika ya Kati na Kusini-Mashariki ambazo zilijumuisha Tanzania, Jamhuri ya Kidemokrasia ya Kongo, Msumbiji, na Afrika Kusini.

Alfonso ana Shahada ya Uzamili ya Uchumi na Shirika la Biashara kutoka Chuo Kikuu cha Granada, na Shahada ya Uzamili ya Fedha ya Kampuni kutoka Chuo Kikuu cha Dallas.

Ana uzoefu mkubwa katika tashia ya saruji kutoka kampuni za barani Ulaya, kabla ya kujiunga na HeidelbergMaterials mnamo 2013 kama Mkurugenzi Mtendaji wa CIMBENIN.

**Bw. Oswald Martin Urassa**

Mkurugenzi

Bw. Oswald Urassa ni Afisa Mkuu wa Fedha (CFO) wa Tanzania Mortgage Refinance Co. Ltd. Alisomea masomo ya fedha katika Chuo Kikuu cha Dar es Salaam na amesajiliwa na Bodi ya Kitaifa ya Wakaguzi na Wahasibu (NBAA) katika kategoria ya Wakaguzi na Wahasibu wa Umma waliothibitishwa katika Mazoezi ya Umma (CPA-PP).

Amekuwa mwanachama wa bodi katika taasisi mbalimbali ikiwa ni pamoja na Mfuko wa Wafanyakazi wa Serikali (GEPF), Bodi ya Wakaguzi na Wahasibu (NBAA), Chama cha Wahasibu Tanzania (TAA), Bodi ya Uwekezaji (ITB), na Kanisa la Kilutheri la Kiinjili la Tanzania, Dayosisi ya Mashariki na Pwani (ELCT-ECD).





**Bw. Francesco Brambilla**

Mkurugenzi

Bw. Francesco Brambilla aliteuliwa kuwa mkurugenzi wa bodi ya TPCPLC mnamo Aprili 2018. Alisomea Uhandisi wa Kirala katika Chuo Kikuu cha Pavia (Italia) na ana Shahada ya Uzamili ya Biashara (MBA) kutoka Shule ya Biashara ya Essec (Ufaransa) na Shule ya Biashara ya Mannheim (Ujerumani).

Alijiunga na Heidelberg Cement mwaka 2016 kama Mkurugenzi wa Upelelezi wa Soko na Mchakato wa Uuzaji kwa eneo la Kundi la Afrika na Bahari ya Mashariki ya Kati. Ana uzoefu mkubwa katika biashara ya saruji, na kabla ya jukumu lake la sasa, alishikilia nafasi kadhaa za uongozi katika uendeshaji na mikakati na maendeleo ya biashara, huko Ulaya na Afrika.



**Mrs. Ruth Henry Zaipuna**

Mkurugenzi

Bi. Ruth Zaipuna, raia wa Tanzania, ni Mkurugenzi Mtendaji wa NMB Bank PLC, anahusika na kuendesha mkakati wa kampuni ili kufeta ukuaji endelevu wa biashara.

Kabla ya kujiunga na NMB Bank PLC, alifanya kazi na Standard Chartered Bank Tanzania na PricewaterhouseCoopers (PwC). Anashikilia Shahada ya Uzamili ya Biashara ya Uongozi (MBA) katika Fedha na Shahada ya Bachelor ya Biashara (B.Com) katika Uhasibu, zote kutoka Chuo Kikuu cha Dar es Salaam. Pia ana vyeti vya Associate Certified Public Accountant (ACPA (T)).



**Mr. Christian Mikli**

Mkurugenzi

Bwana Christian Mikli, raia wa Ujerumani, aliteuliwa kuwa mkurugenzi wa bodi ya TPCPLC mnamo Januari 2024. Bwana Dominik amehudumu kama mwanachama wa Kamati ya Ukaguzi ya TPCPLC tangu mwaka 2024.

Amehudumu katika Bodi na Kamati za Ukaguzi katika kampuni mbalimbali ya saruji ndani ya kundi hilo, akiwa na uzoefu wa kifedha na usimamizi wa zaidi ya miaka 17 katika nafasi za juu, ikiwa ni pamoja na Mkurugenzi wa Fedha/Mkurugenzi Mtendaji wa Fedha huko Kazakhstan. Kwa sasa, yeye ni Mkurugenzi wa Eneo, Upangaji na Uchambuzi wa Kifedha kwa Eneo la Mediterania na Kaskazini mwa Asia (AMWA) katika HeidelbergMaterials."

## Corporate Governance Continued

## b. Bodi ya Wakurugenzi

Bodi kwa sasa inajumuisha wakurugenzi sita: wakurugenzi watano wasio watendaji na mkurugenzi mkuu. Majukumu ya mwenyekiti na mkurugenzi mkuu ni tafauti ili kufikia usawa kati ya uendeshaji na udhibiti. Bodi inawajibika kwa wanahisa kuhusu utawala wa kampuni, kuweka mikakati na sera, ufuatiliaji wa utendaji wa kioperesheni, michakato ya usimamizi wa hatari, na kuweka viwango vya mamlaka. Bodi imepangwa kukutana mara 3 katika mwaka wa fedha

Wakurugenzi wa Kampuni ambao walihudumu wakati wa mwaka huo, na hadi tarehe ya ripoti hii, ni:

| Name                     | Title               | Nationality | Age | Qualification      | Initial Appointment |
|--------------------------|---------------------|-------------|-----|--------------------|---------------------|
| Mr. Alfonso Velez        | Mkurugenzi Mtendaji | Mhispania   | 56  | MBA                | 29 Agost 2017       |
| Mr. Christian Mikli      | Mkurugenzi          | Mjerumani   | 51  | B. A               | 1 Jan 2024          |
| Mr. Francesco Brambilla  | Mkurugenzi          | Muitaliano  | 54  | Engineer           | 25 Apr 2018         |
| Mr. Hakan Gurdal         | Mwenyekiti          | Mturuki     | 57  | Engineer, MBA      | 23 Agost 2016       |
| Mr. Oswald Martin Urassa | Mkurugenzi          | Mtanzania   | 61  | B.com, MBA, CPA(T) | 25 Mei 2016         |
| Mrs. Ruth Henry Zaipuna  | Mkurugenzi          | Mtanzania   | 52  | B.com, MBA, CPA(T) | 25 Mei 2016         |

Wakurugenzi wote wa sasa ni si-watendaji isipokuwa Mkurugenzi Mtendaji.

Katibu wa Kampuni kwa mwaka ulioishia tarehe 31 Desemba 2024 alikuwa Bwana Brian Kangetta (Mkenya), mwenye umri wa miaka 47.

## Maslahi ya Wakurugenzi katika Hisa za Kampuni.

|                          | Idadi za Hisa |      |
|--------------------------|---------------|------|
|                          | 2024          | 2023 |
| Mr. Oswald Martin Urassa | 500           | 500  |

## Vikao vya Bodi.

Jedwali linaloonekana hapa chini linaonyesha rekodi ya kuhudhuria kwa wanachama wa bodi katika mikutano ya kawaida ya bodi iliyopangwa wakati wa mwaka.

| Jina                     | 26 Apr<br>2024 | 18 Jul<br>2024 | 10 Dis<br>2024 |
|--------------------------|----------------|----------------|----------------|
| Mr. Alfonso Velez        | ✓              | ✓              | ✓              |
| Mr. Christian Mikli      | ✓              | ✓              | ✓              |
| Mr. Francesco Brambilla  | ✓              | ✓              | ✓              |
| Mr. Hakan Gurdal         | ✓              | ✓              | ✓              |
| Mr. Oswald Martin Urassa | ✓              | ✓              | ✓              |
| Mrs. Ruth Henry Zaipuna  | ✓              | ✓              | ✓              |

✓ → Alikuwepo    X → Hakuwepo

## C. Kamati ya Ukaguzi

Bodi inasaidiwa katika utekelezaji wa majukumu yake yanayohusiana na taarifa za kifedha, utekelezaji wa sheria, usimamizi wa hatari, uhasibu, na usimamizi wa mifumo ya habari na kompyuta na Kamati ya Ukaguzi. Kamati ya Ukaguzi inaongozwa na Mmoja wa Wakurugenzi Wasio Watendaji. Mikutano inafanyika kwa kipindi cha mwaka mzima na huhudhuriwa na uongozi wa ngazi za juu na wasimamizi wa kampuni pale inapohitajika. Kamati ya Ukaguzi ilikutana mara 3 mwaka 2024 (2023: mara 3).



## Corporate Governance Continued

**Wajumbe wa Kamati ya Ukaguzi**

Wajumbe wa Kamati ya Ukaguzi ambao walihudumu wakati wa mwaka huo, na hadi tarehe ya ripoti hii ni:

| Jina                       | Cheo/Wadhifa | Uraia     | Sifa                  |
|----------------------------|--------------|-----------|-----------------------|
| Mr. Christian Mikli        | Mwenyekiti   | Mjerumani | B.A                   |
| Mr. Oswald Martin Urassa * | Mwanachama   | Mtanzania | B.com, MBA,<br>CPA(T) |
| Mrs. Ruth Henry Zaipuna    | Mwanachama   | Mtanzania | B.com, MBA,<br>CPA(T) |

**Vikao vya Kamati ya Ukaguzi**

Jedwali linaloonekana hapa chini linaonyesha rekodi za uwepo wa wajumbe wa kamati ya ukaguzi kwenye mikutano ya kawaida iliyopangwa kwa mwaka huo

| Name                     | 26-Apr-<br>2024 | 18-Jul-<br>2024 | 10-Dis-2024 |
|--------------------------|-----------------|-----------------|-------------|
| Mr Dominik Michel        | ✓               | ✓               | ✓           |
| Mrs. Ruth Henry Zaipuna  | ✓               | ✓               | ✓           |
| Mr. Oswald Martin Urassa | ✓               | ✓               | ✓           |

✓ → Alikuwepo    X → Hakuwepo

**d. Tathmini ya Utendaji na Tuzo**

Kampuni imeanzisha mfumo wa tathmini na malipo ya ziada kwa mameneja na wafanyakazi wake. Tuzo katika mfumo wa ziada za kila mwaka zimeunganishwa na utendaji wa kifedha wa jumla wa Kampuni, uzalishaji, afya na usalama, pamoja na malengo ya utendaji yaliyowekwa kwa kila mtu kibinafsi.

**e. Usimamizi wa Hatari na Udhhibiti wa Ndani**

Mkaguzi wa Ndani anawajibika kuanzisha na kutekeleza mpango wa ukaguzi wa ndani kila mwaka ambapo kufuata sera na taratibu, ufanisi wa udhibiti wa ndani na usimamizi wa hatari, na uwezekano wa kuboresha hupimwa. Aidha, Kampuni inanufaika na ukaguzi wa kawaida na timu ya ukaguzi wa ndani ya wamiliki wakuu.

**f. Maadili ya biashara na uadilifu wa kampuni**

Masuala ya utawala bora na tabia ya maadili ni muhimu katika mtazamo wa wenzetu na wawekezaji kuhusu Kampuni iliyoorodheshwa. Kampuni inajitahidi kuhakikisha kuwa uadilifu wake na tabia yake ya kitaalam daima hauwezi kushambuliwa. Kampuni imeandaa mwongozo wa maadili kwa wafanyakazi wake ili kupunguza gharama ya tabia zisizo za maadili kwa wadau wake. Kampuni imechukua kanuni kuu za biashara zilizowekwa na mmiliki mkuu na mwongozo wa kupambana na rushwa. Hivyo, kila mfanyakazi amesaini tamko la kuzingatia sheria hizi.

**g. Ripoti za usimamizi, ripoti za kifedha, na ukaguzi.**

Masuala ya utawala bora na tabia ya maadili ni muhimu kwa mtazamo wa wadau na wawekezaji kuhusu Kampuni iliyoorodheshwa. Kampuni inajitahidi kuhakikisha kuwa uaminifu na tabia ya kitaalamu ni bila shaka yoyote. Kampuni imeandaa mwongozo wa maadili kwa wafanyakazi wake ili kupunguza gharama za tabia isiyo ya maadili kwa wadau wake. Kampuni imechukua kanuni kuu za biashara za wamiliki wakuu na mwongozo wa kupambana na rushwa. Kwa hiyo, kila mfanyakazi amesaini tamko la kuzingatia kanuni hizo.

## 04

## Uongozi

**1. Mr. Gregory Ndimbo**  
Meneja wa Ukaiguzi wa  
Ndani na Uboro

**2. Mr. Simon Renauld**  
Mkurugenzi wa Fedha

**3. Mr. Gilles Covello**  
Mkurugenzi wa Kiufundi

**4. Hellen Simime**  
Meneja wa Mazingira na  
Nishati Mbadala

**5. Mr. Alfonso Velez**  
Mkurugenzi Mtendaji

1

2

3

4

5



**“Timu yetu ya uongozi iliyohudumu wakati wa mwaka ulioishia tarehe 31 Desemba 2024 na kuongoza Kampuni kuelekea viwango vipya vya rekodi katika ukuaji wa biashara na kuelekea uendelevu.”**

**6. Mr. Ali Ahmed**  
Mkurugenzi wa Manunuzi

**7. Mr. Ahmed Elsayy**  
Meneja wa Kiwanda

**8. Mr. Jerome  
Mwakabaga**  
Meneja wa Afya  
na Usalama

**9. Mrs. Evaline Mushi**  
Mkurugenzi  
wa Rasimili watu

**10. Mr. Yves Mataigne**  
Mkurugenzi wa Biashara





## 12. Malipo Ya Wakurugenzi

Kampuni ililipa jumla ya TZS 64.1 milioni (2023: TZS 64.3 milioni) kwa huduma zilizotolewa na Wakurugenzi wa Kampuni na wanachama wa Kamati ya Ukaguzi.

Malipo kwa huduma zilizotolewa na wakurugenzi yalikuwa kama ifuatavyo:

|                     | 2024   | 2023   |
|---------------------|--------|--------|
| Mwenyekiti wa bodi  | -      | -      |
| Wakurugenzi wengine | 64,120 | 64,263 |

## 13. Uongozi wa Kampuni

Watumishi wa Menejimenti Muhimu ambao walihudumu katika Kampuni kwa mwaka ulioishia tarehe 31 Desemba 2023 walikuwa wafuatao

| Jina                 | Nafasi                              |
|----------------------|-------------------------------------|
| Mr. Alfonso Velez    | Mkurugenzi mkuu                     |
| Mr. Peter James      | Mkurugenzi wa Fedha                 |
| Mr. Simon Renauld    | Mkurugenzi wa Fedha                 |
| Mrs. Evaline Mushi   | Mkurugenzi wa Rasilimali watu       |
| Mr. Yves Mataigne    | Mkurugenzi wa Biashara              |
| Mr. Gilles Covello   | Mkurugenzi wa Kiufundi              |
| Mr. Ahmed Elsayy     | Meneja wa Kiwanda                   |
| Mr. Jerome Mwakabaga | Meneja wa Afya na Usalama           |
| Mr. Ali Ahmed        | Mkurugenzi wa Ununuzi               |
| Mr Gregory Ndimbo    | Meneja wa Ukaguzi wa Ndani na Ubora |

• Peter James hadil 30 Juni 2024

• Simon Renauld Kuanzia 1 Julai 2024

\*Kampuni ina Idara huru ya ukaguzi wa ndani inayoripoti moja kwa moja kwa kamati ya ukaguzi ya Bodi. Meneja wa Ukaguzi wa Ndani na Ubora ni Bw. Gregory Ndimbo.



## 14. Usimamizi wa Vihatarishi

Kufanya kazi kwenye mazingira yanayobadilika, TPCPLC inakabiliwa na vihatarishi vya Nje, kiutendaji, na Kifedha. Ili kusimamia hatari hizi, kampuni imeweka mifumo kamili ya usimamizi wa hatari na udhibiti wa ndani, ambao unategemea zana na utawala sahihi. Kwa kuchukua mfumo huu, kampuni inaweza kutambua, kutathmini, kupunguza na kufuatilia hatari zote kwa ujumla, wakati ikiunganisha uchambuzi wa hatari unaotazama mbele katika maamuzi ya kimkakati. Mbinu hii husaidia kupunguza uwezekano wa hatari na athari za matukio yoyote yanayoweza kuwa na madhara.

Bodi ina jukumu la mwisho katika usimamizi na udhibiti wa vihatarishi na mifumo ya udhibiti ya ndani ya kampuni. Bodi imeiagiza uongozi wa kampuni kuhakikisha inatengeneza na kunakuwa na mifumo mizuri ya kudhibiti Fedha na kiutendaji, inaitunza na inafanya kazi ipasavyo ili kutoa hakikisho la kutosha la kiufanisi na ufanisi katika utendaji.

Hii itasaidia katika

- Mali za kampuni zitaiindwa ipasavyo,
- Kuzingatia sheria na kanuni zinazotumika,
- Kuwa na rekodi za uhasibu zinazoaminika,
- Uendeleu wa biashara, na
- Tabia ya kuwajibika kwa washika dau wote.

### Utambuzi na Kutathmini Vihatarishi

Uongozi wa Kampuni na idara ya usimamizi wa ndani, hushiriki mara kwa mara katika mchakato wa kutambua vihatarishi, kwa kutumia vyanzo mbalimbali vya habari kama vile, data za jumla za uchumi, taarifa za vihatarishi za sekta ya viwanda na kwa kutumia zana na mbinu mbalimbali za utambuzi wa vihatarishi. Aidha, uongozi unapitia katalogi za vihatarishi vya ndani ambazo hutunza kumbukumbu za vihatarishi vya kifedha na vile visivyo vya kifedha.

Kwa kila aina ya kihatarishi iliyo ainishwa, hutathminiwa kwa kiwango cha chini cha 10% kwa kuzingatia athari zinazotarajiwa, kwa kuzingatia hatua zote ambazo zimekwisha wekwa kwa ajili ya kupunguza athari za vihatarishi. Uongozi umeweka mzunguko wa miezi 12 unaotumika kukadiria uwezekano na athari kwenye vigezo muhimu kama vile matokeo ya shughuli zinazofanyika sasa, Faida ipatikanayo katika mwaka mzima, na mtiririko wa pesa, unatumika kama vigezo vya kutathmini athari zitokanazo na vihatarishi. Vihatarishi huchukuliwa kama jumla ya njia zote zinazotumika katika kupunguza athari zake. The underlying scaling for the short-term risks incorporated into the planning cycle is as follows. Hatari za muda mfupi zilizoingizwa katika mzunguko wa kupanga zinazingatia vipimo vifuatavyo.

#### Uwezekano

|                 |              |
|-----------------|--------------|
| Haitowezekana   | 0% to 20%    |
| Mara kwa mara   | >20% to 40%  |
| Huenda ikatokea | >40% to 60%  |
| Itatokea        | >60% to 100% |

### Maeneo ya Vihatarishi

Tunaoainisha hatari ambazo zinaweza kuwa kuwa na athari kubwa kwa mali zetu, fedha, na mapoto katika makundi Matano: hatari za kifedha, hatari za kimkakati, hatari za kiutendaji, hatari za kisheria na za uzingatiaji wa sheria, na hatari za mabadiliko ya tabia ya nchi. Makundi haya yanatokana na katalogi yetu ya ndani ya hatari Pamoja na mwongozo kutoka kwa wanahisa wetu wakuu. Tunalenga tathmini yetu ya hatari tu kwa zile hatari ambazo zinachukuliwa kuwa na umuhimu mkubwa kwa shirika letu.

**Risk Management Continued**

Chini ni mabadiliko ya hatari kwa kulinganisha na mwaka uliopita.

|                                          |   |
|------------------------------------------|---|
| <b>Hatari za kifedha</b>                 | ↑ |
| <b>Hatari za Kimkakati</b>               |   |
| Hatari za kiuchumi                       | → |
| Hatari za kisiasa na Jamii               | → |
| Maafa ya Asili/Janga                     | → |
| Uhaba wa Malighafi                       | → |
| Mifumo ya kidijitali                     | → |
| Upungufu wa Ujuzi                        | → |
| <b>Hatari za kiutendaji</b>              | ↑ |
| <b>Hatari za Kisheria na Usingatiaji</b> | ↑ |
| <b>Mabadiliko ya tabia ya nchi</b>       | → |
| <b>Hatari za soko na sifa</b>            | → |

Ongezeko ↑ Thabiti → Upungufu ↓

**Vihatarishi vya Kifedha**

Hatari yetu kubwa ya Kifedha ni mabadiliko ya sarafu pamoja na hatari ya ukwasi, pamoja na hatari za kodi. Tunadhibiti hatari hizi hasa kama sehemu ya shughuli zetu zinazoendelea za kibiashara na uwekezaji, na pale inapohitajika kwa kutumia zana za kifedha. Maeneo haya hatarishi yanafuatiliwa mara kwa mara na idara ya fedha ya kampuni kwa ukaribu na idara ya fedha ya mwekezaji mkuu wa kampuni.

**Vihatarishi vya Sarafu**

Hatari kubwa zaidi inayohusiana na hatari za kifedha ni hatari za mabadiliko ya sarafu, haswa hatari ya tafsiri. Sarafu inayofanya kazi katika kampuni (TZS) inakabiliwa na kubadilika badilika kwa soko la fedha la kimataifa. Hii inaweka kampuni kwenye hatari za kubadilisha fedha za kigeni. Uongozi wa kampuni unafuatilia kwa ukaribu hatari hii na kuchukua maamuzi sahihi ili athari iweze kupunguzwa. Maelezo Zaidi kuhusu hatari ya fedha za kigeni yamejumuishwa katika dokezo namba 42 la taarifa za fedha.

**Vihatarishi Ukwasi**

Vihatarishi vya Ukwasi hutokea wakati kampuni haiwezi kununua au kuzalisha fedha zinazohitajika ili kutimiza majukumu ya uendeshaji au majukumu yaliyowekwa kuhusiana na vyombo vya fedha. Kwa kesi hii, idara ya hazina inadhibiti kwa karibu nakupanga mtiririko wa pesa kulingana na mipango ya kila mwezi na yote yanayoweza kutokea au yale yanayotarajia kutokea, pamoja na kuhakikisha utofauti wa vyanzo vya ufadhili, hii inajumuisha usimamizi mzuri wa hatari za mikopo kupitia dhamana ya benki, barua za kibenki na kadhalika.

**Vihatarishi vya Kimkakati**

Mazingira ya Kiuchumi na kijamii ya kimataifa na nchi yanabadilika mara kwa mara kutokana na mielekeo ya dunia nzima kama vile mabadiliko ya hali ya hewa, maendeleo ya idadi ya watu, maganjwa ya mlipuko, ukuaji wa kidijitali na teknolojia. Mitindo hii inatoa hatari na fursa kwa pamoja. Uwezo wa kampuni kukabiliana na mabadiliko haya huamua athari na mwelekeo juu yake. Hatari zinazotokana na mabadiliko ya mtindo zinaweza kuathiri mahitaji, viwango vya bei na gharama, na hivyo mapato ya kampuni. Sehemu inayofuata, tunaieleza na kutathmini hatari hizi na kuashiria hatua zilizochukuliwa ili kupunguza athari hizo.

**Vihatarishi vya Kiuchumi**

Mtazamo wa kiuchumi kwa sasa unakutana na hatari kubwa. Utabiri wa msingi unaonyesha kwamba ukuaji wa uchumi wa dunia utapungua kutoka 3.5% mwaka 2022 hadi 3.0% mwaka 2023 na 2.9% mwaka 2024, chini kabisa ya wastani wa kihistoria (2000-2019) wa 3.8%. Licha ya kushuka kwa uchumi wa dunia, ukuaji wa Pato la Taifa la Tanzania kwa robo inayomalizika Septemba 2024 umeongezeka hadi 5.9% ikilinganishwa na 5.3% kwa robo inayomalizika Desemba 2023. Bei za mafuta nchini zinabaki kuwa juu.

Endapo kutakuwa na mdororo wa uchumi na kupungua kwa shughuli za ujenzi, kampuni inaweza kukutana na upungufu wa mahitaji na shinikizo la bei. Tunaamini kwamba hali ya hatari imekuwa ngumu zaidi ikilinganishwa na mwaka jana. Hata hivyo, TPCPLC inaweza kupunguza hatari hii kwa kiasi fulani kutokana na potifolio yake ya soko linalojumuisha bidhaa mbalimbali na vyanzo vingi vya malighafi na vipuri, hivyo kupunguza utegemezi.



**Risk Management Continued****Vihatarishi vya Kiasia na Kijamii**

Kukosekana kwa utulivu katika hali ya kiuchumi, kijamii, au kiasia, kama vile mabadiliko katika serikali au kuongezeka kwa mvutano wa kiasia, machafuko ya kiraia, na migogoro ya ndani au ya kimataifa, inaweza kuwa na athari kubwa kwa mali, biashara, mazingira na sifa njema ya kampuni. Athari hizi zinaweza kuwa za moja kwa moja, kama vile athari za usalama, au zisizo za moja kwa moja, kama vile kutotabirika kwa uchumi. Zaidi ya hayo, zinaweza kuongeza uwezekano wa kampuni kukabilwa na hatari mbalimbali, katika utekelezaji, kodi, upatikanaji wa malighafi na kupunguza mtiririko wa fedha.

Katika miaka ya hivi karibuni, Tanzania imepata maendeleo ya kuvutia kiasia na kiuchumi na imefanya maboresho makubwa katika ustawi wa jamii. Ijapokuwa hali ya kiasia imeendelea kua tulivu, mabadiliko ya ghafla katika hali ya kiasia au kijamii yanaweza kuathiri moja kwa moja utendakazi wa Kampuni kwa kuzuia ufikiaji soko au kuzula upatikanaji wa malighafi au nishati. Kutokana na vihatarishi hivi, TPCPLC hufanya tathmini ya kimumo ya hatari hizi ili kuhakikisha upunguzaji wa haraka inapotokea kutokea.

**Maafa ya asili/majanga (Matukio ya nje yasiyotarajiwa)**

Utendaji wa kibiashara unaweza kuathiriwa vibaya na matukio yasiyotarajiwa, kama vile majanga ya asili au magonjwa ya mlipuko yanatokea pasipo kutarajiwa. Hata hivyo, baada ya tathmini makini, tuna uhakika kuwa hakuna hatari kubwa ya kuathiri shughuli zetu kwa kiasi kikubwa.

**Uhaba wa malighafi**

Upatikanaji wa malighafi una athari kubwa kwa gharama na uendeshaji wa kampuni kwa ujumla, na kwa hivyo, unaweza kuathiri sana matokeo yetu ya kifedha. Tunachukulia uhaba wa malighafi kuwa hatarishi muhimu katika sekta ya uzalishaji ambayo inaweza kuathiri kampuni hatua kwa hatua. Tunaamini kwamba mtazamo katika hatarishi hii umebaki sawa ikilinganishwa na mwaka uliopita. Ili kupunguza hatarishi hii, TPCPLC inaendelea kufuatilia akiba yetu ya malighafi, upatikanaji wa ndani wa malighafi, na kuhakikisha upatikanaji wa malighafi mbadala pale inapowezekeka.

**Digitali**

Ulimwengu wa biashara unapitia mabadiliko muhimu kutokana na mageuzaji ya kidijitali. Kuongezeka kwa teknolojia mpya za kidijitali na za mtandao, pamoja na kuongezeka kwa otomatiki, kuna kuchangia kutokea kwa mifano mipya ya biashara na kubadilisha ile iliyopo. Sekta ya ujenzi na vifaa vya ujenzi pia inabadilika taratibu kutokana na udijitali, ambayo inaweza kusaidia katika kufikia usawa wa hali ya hewa katika ubunifu na ujenzi wa majengo. Mabadiliko haya yanaweza kusababisha ujenzi wa majengo yenye ufanisi zaidi na ya kudumu kwa muda mrefu, hivyo kupunguza

uzalishaji wa hewa ya ukaa na hivyo kupunguza matumizi ya saruji. Udijitali pia unaweza kuongeza ufanisi wa kiutendaji na kiuzalishaji, kame uchambuzi wa taarifa halisi kutoka kwenye mifumo iliyounganishwa, kuangilia matengenezo na usimamizi bora wa michakato ya uhifadhi mali na uzalishaji.

Maendeleo duni katika udijitali yanaweza kusababisha kupoteza ufanisi na ushindani. Tunachukulia udijitali unaweza kupelekea athari kwa kampuni. Tunakadiria kiwango cha hatarishi ya kidijitali kuwa hakijabadilika kutoka mwaka uliopita TPCPLC inachunguza na kuwekeza kikamilifu katika teknolojia mpya ili kufaidika na fursa ya maendeleo mapya ya kidijitali mapema iwezekanavyo.

**Uhaba wa ujuzi na ufanisi**

Wafanyakazi wetu wenye uzoefu wanapofikia umri wa kustaafu, kuna uwezekano wa kukabiliana na upungufu wa watendaji wenye uzoefu na ufanisi, hili linaweza kusababisha kupungua kwa uzalishaji na kuongezeka gharama za rasilimali watu hivyo kuongeza gharama za uzalishaji. Tunatarajia kiwango cha hatarishi hii kubaki bila kubadilika kutoka mwaka uliopita. Ili kupunguza hatarishi hii TPCPLC hutekeleza mpango mkakati wa kuvutia wafanyakazi na kupunguza idadi ya wafanyakazi wanaoondoka kazini. Kama vile kuwapa ujuzi katika idara mbalimbali au kupata ujuzi kupitia kampuni shirika zinazomilikiwa na mmiliki wetu mkuu.

**Vihatarishi katika uendeshaji**

Maeneo hatarishi katika uendeshaji wa biashara hujumuisha ongezeko la gharama za nishati na upatikanaji wa malighafi. Pia tunazingatia mahitaji ya kisheria yanayo husiana na vizuizi katika mazingira na Pamoja na hatarishi katika uzalishaji, ubora na teknolojia ya Habari. Hatarishi katika eneo la uendeshaji zimeongezeka ikilinganishwa na mwaka uliopita.

**Gharama za nishati na upatikanaji**

Nishati ni muhimu katika shughuli za uendeshaji wa Kampuni na hivyo basi, maeneo hatarishi katika uendeshaji wa kampuni unaweza kuchangiwa na upatikanaji, usambazaji wa umeme na gesi wa kuaminika, pamoja na bei ya nishati hizi.

Kampuni inategemea sana usambazaji wa umeme kutoka Kampuni ya Ugavi wa Umeme Tanzania (TANESCO). Kwa miaka mingi, kumekuwa na maboresho makubwa katika usambazaji wa nishati, ingawa kukatika kwa umeme bado kunaleta athari kubwa kwa shughuli za uendeshaji a kampuni.

Gesi asilia hutumiwa katika mchakato wa kuchoma klinka, kutengeneza klinka yetu wenyewe. Kampuni inategemea sana gesi asilia na kwa hivyo mabadiliko yoyote makubwa ya bei au uhaba huwa na athari mbaya kwa shughuli na uzalishaji wa kampuni. Tunachukulia uwepo wa hatarishi hii kuwa na athari za wastani mpaka juu ya wastani.



**Risk Management Continued****Upatikanaji wa malighafi na viinikisho**

Kuzalisha saruji, TPCPLC inahitaji kiasi kikubwa cha malighafi, ambazo kwa kiasi kikubwa hupatikana kutoka kwenye machimbo yake. Kifusi cha mawe ya chokaa ambacho kina milikiwa na TPCPLC ndiyo mwanzo wa mchakato wa utengenezaji wa saruji. Chokaa huchanganywa na kiasi kinacholingana cha udongo mwekundu ili kuunda mchanganyiko, ambacho huchanganywa vizuri na kuwekwa kwenye tanuru za kuzalisha klinika. Upatikanaji wa chokaa ni muhimu kwa shughuli endelevu za uzalishaji, na kampuni inahakikisha ina akiba ya kutosha ya chokaa ili kukidhi mahitaji yake.

**Vihatarishi vinazohusiana na uzalishaji**

Sekta ya saruji inahusisha teknolojia tata kwa ajili ya kusindika na kuhifadhi malighafi, viambato, na mafuta, na inaonekana kama sekta inayohitaji mitaji mingi. Kuna hatari ya majeraha binafsi, uharibifu wa mali, na madhara kwa mazingira kutokana na ajali na hatari za uendeshaji, ambazo zinaweza kusababisha kusitishwa kwa shughuli. Kampuni ya TPCPLC ina mkakati wa kuhamisha hatari ambao unaweka kiwango cha malipo ya awali kwa mipango ya bima kwa msingi wa uchambuzi wa kushindwa unaochukua muda wa miaka kadhaa.

Ingawa kuna hatari ya kutokutosheleza kwa kiasi cha bima endapo kutatokea uharibifu, hasa kutokana na aina nadra na kali za uharibifu kama majanga ya asili, hatari hiyo inachukuliwa kuwa ya chini. Ili kuzuia uwezekano wa uharibifu na madhara yake, tunategemea mifumo mbalimbali ya ufuatiliaji na usalama katika kiwanda chetu, mifumo ya usimamizi iliyounganishwa inayojumuisha viwango vya juu vya usalama, pamoja na ukaguzi wa mara kwa mara, matengenezo, na huduma. Tunatoa mafunzo yanayofaa kwa wafanyakazi wote kungeza uelewa wao wa hatari zinazoweza kutokea. Kwa ujumla, hatari zinazohusiana na uzalishaji zinachukuliwa kuwa ndogo na zisizoweza kutokea, zikiwa na athari ndogo.

**Vihatarishi katika eneo la ubora**

Saruji iko chini ya viwango vikali. Iwapo bidhaa zinazotolewa hazifiki viwango vilivyowekwa au mahitaji ya ubora ya mteja, tunaweza kupoteza kiasi cha mauzo, kukabiliwa na madai ya uharibifu na/au kuharibu uhusiano wetu na wateja. Kampuni inahakikisha uzingatiaji wa viwango kutoka kwa mbia wetu mkuu na maabara za watu wengine kwa njia ya uhakikisho wa ubora wa chembe laini sambamba na kila hatua ya mchakato pamoja na ukaguzi wa mwisho. Udhidhi wa uhakikisho wa ubora pia unafanywa na wataalam huru kama sehemu ya programu pana za uhakikisho wa ubora. Kwa ujumla, tunazingatia athari katika eneo la ubora kuwa ya chini na yenye athari ndogo. Kampuni inahakikisha inafuata viwango katika maabara yote na uthibitisho wa viwango na Shirika la Viwango Tanzania (TBS) (Cheti cha uthibitisho wa ISO 9001).

**Vihatarishi katika teknolojia ya habari**

Michakato yetu ya biashara, mawasiliano, mauzo, usafirishaji na uzalishaji inaungwa mkono na mifumo ya TEHAMA, ambayo inaweza kuleta athari kwenye maeneo makuu mawili: kutopatikana kwa mifumo ya TEHAMA kwa sababu ya kushindwa au makosa ya kibinadamu, na tishio la vitendo vyenye madhara vya kimakusudi vinavyofanywa na watendaji wa nje Pamoja na wa ndani

Ili kupunguza vihatarishi vinavyohusiana na upatikanaji wa mifumo ya TEHAMA: Tumetekeleza taratibu za kuhifadhi nakala na miundo msingi na michakato sanifu ya TEHAMA. Timu zetu za uundaji wa programu za ndani hufanya kazi na wataalam wa TEHAMA kutoka kwa mbia wetu mkuu kutumia michakato ya haraka ambayo huwezesha kubainisha na kudhibiti athari. Katika matumizi ya mifumo ya ERP, tunafanya majaribio na washirika wanaoaminika kwa njia iliyopangwa ili kutambua kwa haraka na kushughulikia athari katika hatua za awali.

**Hatua za kupunguza mashambulizi ya mtandaoni ya nje na ya ndani:**

Kwa sababu ya hali ya sasa ya kijiografia na kisiasa na kuongezeka na kuenea kwa mashambulizi ya mtandao kwa biashara, tishio la mashambulizi, hasa kutoka kwa vyanzo vya nje, limeongezeka kwa kiasi kikubwa. Tunaongeza mbinu za usalama katika maeneo mengi, kwa usaidizi kutoka kwa timu ya usalama wa mtandao kutoka kwa mbia wetu mkuu, tunalinda utambulisho wa watumiaji, kupitia maboresho ya kudumu ya usalama wa mifumo yetu ya utambuzi na tumeanza kuchanganua tabia isiyo ya kawaida ya watumiaji kwa kutumia njia za kiotomatiki.

**Vihatarishi vya kutokufuata sheria na utekelezaji**

Hatari kubwa kwenye eneo la sheria kwa kampuni ni pamoja na hatari zitokanazo na kesi zenye uchunguzi endelevu, pamoja na hatari zinazotokana na mabadiliko ya sheria na kanuni. Tunafuatilia kwa karibu mashauri ya kisheria yanayoendelea kwa mtazamo wa kisheria, na tumeweka masharti ya kifedha yanayofaa kulingana na mahitaji ya kisheria ili kushughulikia athari zozote mbaya zinazoweza kutokea kutokana na kesi hizo.

Kulingana na tathmini zetu, tumebaini kuwa kampuni inakabiliwa nahatari ya wastani katika eneo hili la sheria na kanuni. Hata hivyo, athari kwa upande wa kifedha inayohusishwa na ukiukaji wa sheria na kanuni ni ya chini, kutokana na kesi zilizoripotiwa na kuthibitishwa katika kipindi cha ripoti.



**Risk Management Continued****Vihatarishi vya hali ya hewa**

Nchini Tanzania, ambako shughuli zetu ziko, hali ya hewa ina jukumu muhimu katika sekta ya saruji. Hali ya hewa mbaya, kama vile mvua kubwa au upepo, inaweza kuathiri kwa kiasi kikubwa upatikanaji wa malighafi muhimu kwa uzalishaji wa saruji na usambazaji wa mauzo. Hata hivyo, Tanzania inafurahia hali ya hewa tulivu kwa kuwa na mifumo ya hali ya hewa inayotabirika, ambayo hupunguza baadhi ya hatari. Tofauti na maeneo yanayokabiliwa na dhoruba za mara kwa mara au mabadiliko ya hali ya hewa marakwa mara. Tanzania kwa kiasi fulani inatoa mazingira mazuri ya uendeshaji kwa ajili ya uzalishaji wa saruji. Zaidi ya hayo, hali ya hewa thabiti huchangia shughuli thabiti za ujenzi mwaka mzima.

Kwa hivyo, ingawa tunakubali ushawishi wa hali ya hewa juu ya mahitaji ya saruji na kutafuta, tunatathmini hatari inayohusiana kama imara ndani ya muktadha wa Kitanzania.

**Vihatarishi vya soko na sifa ya Kampuni**

Mojawapo ya athari kubwa kwenye eneo la soko kwa kampuni ni ushindani, ambao unaongezeka katika soko la Tanzania hivi karibuni. Pamoja na kuingizwa kwa saruji iliyogazwa kutoka nje katika soko. Hata hivyo, kampuni imejipanga vyema kudumisha makali yake ya ushindani katika soko kwa kutegemea saruji yake yenye ubora wa juu, chapa dhabiti, wafanyakazi wenye ujuzi, na usimamizi madhubuti.

Kampuni inapoendelea na jitihada za uzalishaji endelevu unaozingatia kupunguza utoaji wa hewa chafu (hewa ukaa), kuna hatari inayohusishwa na mabadiliko katika mapendekezo ya watumiaji. Hii inaweza kusababisha ongezeko la uingizwaji wa saruji na vifaa vingine vya ujenzi ambavyo vinachukuliwa kuwa na alama ya chini ya kaboni. Zaidi ya hayo, kuna hatari ya kupanda kwa gharama za malighafi, ambayo inaweza kwa kiasi fulani kuchangiwa na uzalishaji endelevu unaozingatia kupunguza utoaji wa hewa ya ukaa.

Ili kuhakikisha uzalishaji endelevu kwa siku zijazo, tunachukua hatua za kupata viwango vya kutosha vya nishati mbadala na malighafi. Pia, sisi tunatambua kwamba kushindwa kufikia malengo yetu uendelevu kwa wakati kunaweza kusababisha maoni hasi kutoka kwa washikadau, jambo ambalo linaweza kuhatarisha sifa ya kampuni. Mawasiliano madhubuti yanaweza kusaidia kupunguza hatari hizi. Kwa ujumla, tunachukulia athari katika eneo la soko na hadhi kuwa ni eneo lenye athari ya jumla ambayo inaweza kuwa na athari za taratibu kwa kampuni. Tunaamini kwamba mtazamo wa hatari ni thabiti ikilinganishwa na mwaka uliopita.

**Tathmini ya vihatarishi kwa ujumla**

Bodi ya Wakurugenzi imetathmini hali ya hatari ya ujumla ya TPCPLC kwa kujumuisha hatari zote kuu na za mtu binafsi. Kulingana na uchunguzi huu, Bodi ina uhakika kwamba hakuna hatari kubwa ambazo zinaweza kuwa tishio kwa biashara endelevu, iwe kwa kujitegemea au kwa kuchanganya na hatari nyingine. Hakuja na mabadiliko makubwa katika hali ya hatari ya TPCPLC kati ya tarehe ya kuripoti na utayarishaji wa taarifa za fedha za 2022. Kampuni ina msingi imara wa kifedha, na nafasi yake ya ukwasi ni imara.

## 15. Nguzo Mahiri Mikakati na Rasilimali

Katika kuyafikia malengo yetu, nguzo mahiri na rasilimali zilizopo kwa kampuni (zote zinazoonekana na zisizoonekana) ni:

### Uwezo wa Uongozi na Wafanyakazi

Jambo kuu muhimu kama rasilimali ya kampuni ni mtaji wa watu. Utendaji wa kampuni unaongozwa na viongozi washindani na wenye sifa ambao hujituma katika shughuri za kila siku kuakikisha wanayafikia malengo ya kampuni. Timu ya uongozi hutegemea wafanyakazi wenye uweredi mkubwa na kujitua ambao wanauzoefu katika viwanda na Tehama ya saruji. Kwahiyo kampuni huajiri zaidi wafanyakazi wenye uweredi na ushindani na pia uwekeza kwenye mafunzo yao.

### Chapa Imara na Bidhaa Bora

Saruji ya Twiga ni saruji inayojulikana sana katika soko na umaarufu wake unatokana na ubora wake. Taswira na ubora wa bidhaa zetu vinatupa fursa nzuri kwenye soko. Ili kukidhi matakwa ya viwango vya ubora katika soko la saruji, kampuni inatengeneza aina sita(6) za saruji; Twiga Ordinary (CEM I 42.5), Twiga Plus (CEM IIB L42.5N), Twiga Extra (CEM IIB 32.5R), Twiga Jenga (MC 22X), Twiga Super (CEM IIB L 32.5N) na Twiga Mega (CEM III/B-SR 42.5N). Ubona wa bidhaa zetu zinazozalishwa hudumishwa kupitia upimaji thabiti wa ubora wa malighafi zote katika kila hatua ya uzalishaji.

### Mtandao Imara wa Usambazaji

Bidhaa zetu zimeweza kufika sehemu nyingi nchini kutokana na mtandao madhubuti wa usambazaji na uwepo wa magari yanayomilikiwa na wasambazaji wetu. Kampuni pia huza saruji katika baadhi ya nchi malimbali za Afrika ya Kati na Afrika Mashariki.

### Nafasi katika Soko

Saruji ya Twiga ni chapa pendwa kwenye soko na ni kitu kinachoipa nafasi nzuri ya ushindani katika soko la saruji. Nafasi yetu ya uongozi katika soko inatiwa msukumo na kuwa karibu na soko kuu la saruji la Dar es salaam.

### Msaada wa Kiufundi

HeidelbergMaterials AG, ndio kampuni inayoongoza katika soko la kokoto duniani na ni mdau mkubwa katika uzalishaji wa saruji, zege na shughuli nyinginezo zinazohusiana na hizi. Hii inaifanya HeidelbergMaterials kuwa kati ya watengenezaji wakubwa wa malighafi za ujenzi duniani. Kampuni ya TPCPLC inanufaika kwa mapana na huduma bora za kitaalamu na kiufundi kwenye biashara ya saruji.

### Akiba bora malighafi ya chokaa

Chokaa ni kati ya malighafi muhimu katika utengenezaji wa saruji. Kampuni ina akiba ya kutosha kukidhi mahitaji ya utengenezaji wa saruji.







## 16. Uhusuano wa Wadau

**Wafanyakazi** – Kampuni iliweka mipango inayozingatia uboreshaji wa ustawi wa mfanyakazi, kuweka vipaumbele vya afya na usalama na mafunzo ya wafanyakazi. Zaidi ya hayo, kampuni inafanya kazi kwa ukaribu na chama cha wafanyakazi (TUICO) katika kuhakikisha kuwa masuala yote yanayohusu wafanyakazi yanashughulikiwa. Kampuni imedumisha uhusiano mzuri na TUICO.

**Wateja** – Kampuni inawazingatia wateja na imejitolea kikamilifu katika kutoa huduma zenye ongezeko la thamani, uzoefu na bidhaa bora kwa wateja. Timu yetu imedhamiria kuongeza ufanisi katika uendeshaji na katika soko.

**Wasambazaji** – Hawa hutoa malighafi, huduma, vipuri n.k., ambazo ni muhimu kwa uendeshaji wa mitambo. Kampuni inatoa fursa kwa wote kupitia mchakato wa zabuni, vikao na wasambazaji, kuwatembelea na masharti nafuu ili kuhakikisha uendeleu wa uendeshaji.

**Jamii** – Kampuni inajishughulisha na mipango kadhaa ambayo inahakikisha kwamba masuala yanayohusu jamii inayoizunguka yanashughulikiwa. Kampuni inahakikisha kwamba inapanga bajeti kwa ajili ya mipango ya jamii katika maeneo ya elimu, huduma za afya, wanawake na watoto.

**Serikali na Wathibiti** – Wanawajibika kwa utoaji wa sera, vibali na leseni. Kampuni inaendelea kufanya kazi kwa karibu na serikali na wathibiti kupitia mashirika husika na midaharo ya umma. Kampuni imeweka mipango ya kuhakikisha kuwa shughuri zake zinazingatia sheria na kanuni mbalimbali zikiwemo mazingira, afya na usalama. Zaidi ya hayo, kampuni inahakikisha kwamba shughuli zake zinakuza maendeleo ya kiuchumi na viwanda nchini.

## 17. Mchango wa Kisiaa

Kampuni haikuwahi kutoa mchango kwa vyama vyovyote vya kisiasa au sababu za kisiasa katika kipindi cha mwaka.

## 18. Uwekezaji wa Kijamii wa Kampuni

Katika mwaka unaomalizika, Kampuni ilionyesha dhamira yake ya uwajibikaji kijamii kwa kutoa na kuchangia TZS 79.1 milioni (2023: TZS 164.7 milioni). Mchango hii ilitolewa kwa njia ya fedha na vitu vya thamani ikilenga watoto, wanawake, huduma za afya, na elimu.

## 19. Gawio

Wakurugenzi wanapendekeza gawio la Shilingi bilioni 107.95 (Shilingi 600 kwa hisa) kwa wanahisa wake kama gawio la mwisho kwa mwaka 2024. Gawio la mwisho litaidhinishwa na mkutano mkuu wa mwaka na litalipwa mwezi Juni 2025. Mwezi wa Juni mwaka 2025, Kampuni ililipa Shilingi bilioni 70.17 (Shilingi 390 kwa hisa) kama gawio la mwisho la mwaka 2023.

Hakukuwa na malipo kwa ajili ya gawio la awali kwa mwaka ulioishia Desemba 2024. Kufikia pendekezo hili, wakurugenzi wamezingatia hali ya kifedha ya Kampuni na mahitaji ya baadaye ya miradi ya uboreshaji.

## 20. Matukio ya Baadaye

Hapakuwa na matukio ya baadaye yaliyotokea baada ya mwisho wa mwaka yaliyohitajika kuwekwa wazi au kurekebisha kwenye taarifa za fedha.





## 21. Shughuli za Kibiashara za Kampuni Zenye Mahusiano

Kampuni mama ya TPCC ni HeidelbergCement AG, iliyoorodheshwa kwenye soko la kifedha la Frankfurt katika Jamuhuri ya Shirikisho ya Ujerumani. Heidelberg Cement AG inamiliki Scancem International DA ya nchi ya Norway kwa asilimia 100%, ambayo inamiliki ailimia 69.25% ya hisa zote za TPCC.

Mwaka huo, kampuni, iliweza kufanya miamala na kampuni zenye uhusiano nao, hii inajumuisha na uingizaji GMBH. Maelezo ya miamala husika ya wanaohusiano imeonyeshwa kwenye dokezi la 40 kwenye taafira za kifedha.

## 22. Mtaji wa Hisa

Jumla ya mtaji wa hisa uliotolewa na kampuni ni hisa za kawaida 179,923,100 (2022: 179,923,100). Hakukuwa na madiliko yoyote ya mtaji wa hisa. Mgawanyiko wa hisa za kampuni umeelezewa kwenye kidokezi namba 27. Umiliki wa hisa za kampuni ni kama ulinyoonyeshwa hapa chini:

| Jina                                            | 2024<br>%<br>Umiliki | 2023<br>%<br>Umiliki |
|-------------------------------------------------|----------------------|----------------------|
| Scancem International DA                        | 69.25                | 69.25                |
| Umma Kwa Jumla                                  | 22.78                | 22.78                |
| Government Pension funds                        | 7.75                 | 7.75                 |
| Wazo Hill Saving and Credit Cooperative Society | 0.22                 | 0.22                 |
|                                                 | <b>100.00</b>        | <b>100.00</b>        |

## 23. Sera za Uhasibu

Taarifa za fedha za kampuni zinataairishwa kwa kuzingatia kuwa kampuni itaendelea na shughuli zake kwa vipindi vijavyo. Sera hizi za hesabu zimeainishwa kwenye haya ya 3 ya taarifa za kifedha na kufanyiwa tathmini kila mwaka ili kuhakikisha zinaendana na viwango vya kimataifa za utoaji wa taarifa za kifedha. (IFRS).

## 24. Wanahisa wa Kampuni

Jumla ya wanahisa kwa mwaka ulioishia 31 Disemba 2024 ilikuwa 9,273 (2023: Wanahisa 9,273), wanaomaliki hisa za kawaida 179,923,100 (2023: 179,923,100 Hisa za kawaida). Wafuatao walikuwa wanahisa kumi (10) wakubwa wa kampuni

| Jina                                                              | Utaifa    | 2024<br>% ya Umiliki | 2023<br>% ya Umiliki |
|-------------------------------------------------------------------|-----------|----------------------|----------------------|
| Scancem International DA                                          | Mnorwe    | 69.25                | 69.25                |
| Public Service Social Security Fund                               | Mtanzania | 6.16                 | 6.16                 |
| Standard Chartered Bank Uganda                                    | Mganda    | 5.28                 | 5.28                 |
| National Social Security Fund                                     | Mtanzania | 1.24                 | 1.24                 |
| African Lions Fund LTD                                            | Mtanzania | 1.03                 | 0.93                 |
| Umoja Unit Trust Scheme                                           | Mtanzania | 0.99                 | 0.99                 |
| Murtaza Basheer Nasser                                            | Mtanzania | 0.90                 | 0.90                 |
| Said Salim Awadh Bakhresa                                         | Mtanzania | 0.77                 | 0.77                 |
| Sayed H. Kadri/Basharat Kadro/Mehboob Kadri/Khalid/Muzammil Kadri | Mtanzania | 0.59                 | 0.52                 |
| Gak Patel & Co. LTD                                               | Mtanzania | 0.36                 | 0.30                 |

## 25. Taarifa la Soko la Mtaji

Kampuni iliorodheshwa kwenye soko la mtaji tarehe 29 septemba 2006, na hisa zake zikaanza kuuzwa katika soko la mtaji la Dar es salaam (DSE). Mwaka 2024, hisa za kampuni ziliendelea kuuzwa wakati wote kupitia minada iliyoandaliwa na soko la mtaji la Dar es Salaam (DSE). Mwaka 2024, ufanisi wa hisa za kampuni kwenye soko la mtaji la Dar es Salaam (DSE) ulikuwa kama ifuatavyo: thamani ya kampuni kufikia tarehe 31 Desemba 2024 ilikuwa TZS 647.7 billion (2023: TZS 766.5 billion). Bei ya hisa tarehe 31 Disemba 2024 ilikuwa TZS 3,600 kwa hisa, ikilinganishwa na TZS 4,260 mwaka mmoja uliopita (bei katika soko la mwanzo ilikuwa TZS 435 kwa hisa).

**26. Masuala ya Kimahakama**

Mwaka huu, hapakuwa na maswala mazito ya kimahakama ya kuripoti kama inavyotakiwa na kiwango cha kwanza cha taarifa za fedha cha Tanzania. (Ripoti ya wanaohusika na utawala bora).

**27. Taarifa ya Utekelezaji**

Ripoti ya wale wanaohusika na utawala bora, imendaliwa kwa kuzingatia kiwango cha kwanza cha taarifa za ifedha Tanzania (Ripoti ya wale wanaohusika na utawala bora).

**28. Wakaguzi****Maelezo**

Taarifa ya wakaguzi wa hesabu za kampuni kwa kipindi kilichoandaliwa hesabu ni:

PricewaterhouseCoopers  
Pemba House  
369 Toure Drive  
Oyster Bay  
P.O. Box 45  
Dar es Salaam, Tanzania

Tovuti: <https://www.pwc.co.tz/>

Nambari ya Usajili wa kampuni: PF 047

TIN: 100212285

Msimamizi mkuu wa ukaguzi wa hesabu za kampuni wa mwaka wa fedha ulioripotiwa ana namba ya usajili:

ACPA-PP 1981

**Uteuzi Wa Mwaka 2024**

PricewaterhouseCoopers (PwC) ilitiuliwa kuwa mkaguzi wa Kampuni kwa mwaka 2023. Pia PwC ina nia ya kuendelea kuwa mkaguzi, na wana vigezo kwa kustahili kuomba kuteuliwa tena. Azimio linalopendekeza uteuzi wa mkaguzi wa mwaka ujao wa fedha litawekwa kwenye Mkutano Mkuu Wa Mwaka (AGM).

**29. Wajibu wa Wakaguzi**

Mkaguzi ana wajibu wa kutoa uhakikisho wa usahihi na uthabiti wa taarifa zote zilizomo kwenye ripoti na wale wanaohusika na utawala na zile zilizotolewa katika taarifa za fedha.

**30. Wajibu wa Wale Wanaohusika na Utawala**

Wanachama walio na mamlaka ya usimamizi wanakubali jukumu lakuandaa taarifa hizi za kifedha ambazo zinaonesha mtazamo wa kweli na wa haki wa kampuni hadi tarehe ya kuidhinishwa kwa taarifa za kifedha zilizokaguliwa, kwa mujibu wa viwango vinavyotumika, sheria, kanuni na masharti ya kisheria. Wanachama pia wanathibitisha kufuata masharti ya mahitaji ya TFRS 1 na sheria zingine zote za kisheria zinazohusika na kampuni.

**Imetolewa kwa amri ya Bodi ya wanaohusika na Uongozi**

Imeidhinishwa na Bodi ya Wakurugenzi tarehe **9<sup>th</sup> Juni 2024** na kufiwa sahihi kwa niaba yake na:

Jina: ALFONSO VELEZ Cheo: DIRECTOR Sahihi: 

Jina: RUTH ZAIPUNA Cheo: DIRECTOR Sahihi: 



04

## Statement Of Directors' Responsibilities

For The Year Ended 31 December 2024

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Company at the end of the financial year and of its profit or loss for the year. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and the requirements of the Tanzanian Companies Act, 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and its profit in accordance with IFRS Accounting Standards.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement

Name: ALFONSO VELEZ Title: DIRECTOR Signature: 

Name: OSWALD URASSA Title: DIRECTOR Signature: 

Date: **9th June 2025**

## 04

**Declaration Of  
The Head Of  
Finance**

For The Year Ended 31 December 2024

The National Board of Accountants and Auditors (NBAA) according to the powers conferred to it under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied by a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with IFRS Accounting Standards and the requirements of the Tanzanian Companies Act, CAP 212 Act No. 12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on page 19.

I **Godian Ignace**, being the Shared Service Centre Manager representing the Head of Finance of Tanzania Portland Cement Public Limited Company hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2024 have been prepared in compliance with IFRS Accounting Standards and the requirements of the Tanzanian Companies Act, 2002.

I thus confirm that the financial statements give a true and fair view of the financial position and results of Tanzania Portland Cement Public Limited Company as of that date and for the year then ended and that the financial statements have been prepared based on properly maintained financial records


Signed by: **GODIAN F. IGNACE**Position: **SHARED SERVICE CENTRE MANAGER**NBAA Membership No. **ACPA 4337**Date: **9th June 2025**



## 04

**Independent  
Auditor's Report****Report on the Audit of The Financial Statements****Our opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Tanzania Portland Cement Public Limited Company (the Company) as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

**What we have audited**

The financial statements of Tanzania Portland Cement Public Limited Company as set out on pages 104 to 148 comprise:

- statement of financial position as at 31 December 2024;
- statement of profit or loss and other comprehensive income for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

**Basis for opinion**

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

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

**Independence**

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

**Key audit matters**

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

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Unresolved tax matters and contingent liabilities</b></p> <p>Tax positions were significant to our audit because the assessment process involves judgment in the interpretation and application of tax laws and in assessing tax liabilities and contingencies that could arise from tax audits.</p> <p>The Company has significant unresolved tax matters with the Tanzania Revenue Authority (TRA) whose outcomes are dependent on future events. The total amount of tax assessed is TZS 77 billion of which TZS 11.7 billion has been provided for on the financial statements.</p> <p>With the assistance of internal and external experts, the directors exercise significant judgement in assessing the possible outcomes of the unresolved matters for financial reporting purposes at the year-end.</p> <p>The actual future outcomes of these matters could be materially different from the directors' judgement at the year-end.</p> <p>Further information is provided in Note 6, Note 35(b) and note 41.</p> | <p>We tested management's process for identification and evaluation of tax exposures from TRA assessments.</p> <p>We examined a list of open tax matters and tax assessments by TRA as at 31 December 2024.</p> <p>We tested the completeness of the list by examining the minutes of the board meetings and legal correspondences between the company and its lawyers.</p> <p>We examined the correspondence between Management and the Tanzania Revenue Authority.</p> <p>We obtained and assessed advice from management expert that was applied by management to assess the level of provisioning required and the tax objections filed thereon.</p> <p>We reviewed the provisions for tax exposures based on management's assessment and the advice provided by the company's tax advisor.</p> <p>We have evaluated the reasonableness of the management judgement and assessed the adequacy of the disclosures made in the financial statements in relation to contingent liabilities and significant judgments applied by directors.</p>                                                                                                       |
| <p><b>Acquisition of Mamba Cement Company Limited</b></p> <p>During the year, TPCPLC acquired a controlling interest in Mamba Cement Company Limited, a company whose principal activity is to extract limestone, for a total purchase consideration of TZS 42 billion. The acquisition was accounted for as a business combination in accordance with IFRS 3 Business Combinations. This required TPCPLC to determine the acquisition date, identify and measure the fair value of acquired assets and liabilities, including intangible assets, and recognize goodwill or a gain from a bargain purchase. Given the significant judgment involved in determining the fair values, the complexity of the purchase price allocation, and the material impact on the consolidated financial statements, we considered this a key audit matter.</p>                                                                                                                                                                                | <p>We obtained and evaluated the Group's purchase agreement to understand the terms and assess the appropriateness of the acquisition date used.</p> <p>We assessed management's process for identifying and valuing the acquired assets and liabilities, including the engagement of independent valuation experts.</p> <p>We evaluated the competence, capabilities, and objectivity of the external valuation experts used by management.</p> <p>We involved our own valuation specialists to assess the valuation methodologies applied to key assets such as property, plant and equipment, and identifiable intangible assets.</p> <p>We tested the underlying data used in the valuation models on a sample basis, including assumptions such as property, plant and equipment, and identifiable intangible assets.</p> <p>We tested the underlying data used in the valuation models on a sample basis, including assumptions such as discount rates, useful lives, and revenue growth projections.</p> <p>We considered the adequacy of the related disclosures in the Group and Company financial statements in accordance with IFRS 3.</p> |



### Other information

The directors are responsible for the other information. The other information comprises Report by Those Charged With Governance, Statement of Directors' responsibilities, Declaration of the head of finance and Company information (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read Financial highlights, letter of transmittal, Chairman's statement, Managing director's report, Directors' Bibliography, Key management personnel, Corporate social responsibility and proxy form, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

### Auditor's responsibilities for the audit of the financial statements *Continued*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

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

### Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, No. 12 of 2002, and for no other purposes.

As required by the Companies Act, No. 12 of 2002 we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report



Cletus Kiyuga, ACPA-PP

**For and on behalf of PricewaterhouseCoopers**

Certified Public Accountants

Dar es Salaam

Date: **9<sup>th</sup> June 2025**





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## 05

## Financial Statements

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## Statement Of Profit Or Loss And Other Comprehensive Income

|                                                            | Notes | GROUP              |                    | COMPANY            |                    |
|------------------------------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                                            |       | 2024               | 2023               | 2024               | 2023               |
|                                                            |       | TZS '000           | TZS '000           | TZS '000           | TZS '000           |
| Revenue from contracts with customers                      | 7     | 448,586,092        | 490,171,829        | 448,586,092        | 490,171,829        |
| Cost of sales                                              | 9     | (339,399,436)      | (330,443,277)      | (339,399,436)      | (330,443,277)      |
| <b>Gross profit</b>                                        |       | <b>109,186,656</b> | <b>159,728,552</b> | <b>109,186,656</b> | <b>159,728,552</b> |
| Other operating income                                     | 8     | 949,361            | 9,745,144          | 949,361            | 9,745,144          |
| Selling and marketing costs                                | 10    | (3,638,392)        | (5,891,729)        | (3,638,392)        | (5,891,729)        |
| Net (charge)/release of expected credit losses             | 24    | (187,251)          | (11)               | (187,251)          | (11)               |
| Administrative costs                                       | 11    | (24,667,805)       | (29,440,015)       | (24,667,805)       | (29,440,015)       |
| Other operating expenses                                   | 14    | (2,663,963)        | (1,504,148)        | (2,663,963)        | (1,504,148)        |
| Net gain on foreign currency translation                   | 17    | 301,919            | 8,795,332          | 301,919            | 8,795,332          |
| <b>Operating Profit</b>                                    |       | <b>79,280,525</b>  | <b>141,433,125</b> | <b>79,280,525</b>  | <b>141,433,125</b> |
| Finance income                                             | 15    | 2,579,964          | 3,092,852          | 2,579,964          | 3,092,852          |
| Finance costs                                              | 16    | (627,587)          | (1,051,474)        | (627,587)          | (1,051,474)        |
| Finance income - net                                       |       | <b>1,952,377</b>   | <b>2,041,378</b>   | <b>1,952,377</b>   | <b>2,041,378</b>   |
| <b>Profit before tax</b>                                   |       | <b>81,232,902</b>  | <b>143,474,503</b> | <b>81,232,902</b>  | <b>143,474,503</b> |
| Income tax expense                                         | 34    | (24,559,259)       | (44,290,757)       | (24,559,259)       | (44,290,757)       |
| <b>Profit for the year</b>                                 |       | <b>56,673,643</b>  | <b>99,183,746</b>  | <b>56,673,643</b>  | <b>99,183,746</b>  |
| <b>Other comprehensive income</b>                          |       |                    |                    |                    |                    |
| Items that will not be reclassified to profit or loss:     |       |                    |                    |                    |                    |
| Re-measurement gain/(losses) on defined benefit plan       | 31    | (230,280)          | (278,660)          | (230,280)          | (278,660)          |
| Income tax effect                                          | 34    | 69,084             | 83,598             | 69,084             | 83,598             |
| <b>Other comprehensive income for the year, net of tax</b> |       | <b>(161,196)</b>   | <b>(195,062)</b>   | <b>(161,196)</b>   | <b>(195,062)</b>   |
| Total comprehensive income for the year, net of tax        |       | <b>56,512,447</b>  | <b>98,988,684</b>  | <b>56,512,447</b>  | <b>98,988,684</b>  |
| <b>Attributable to:</b>                                    |       |                    |                    |                    |                    |
| Equity shareholders                                        |       | 56,512,447         |                    |                    |                    |
| Non-controlling interests                                  |       | -                  |                    |                    |                    |
| <b>Earnings per share</b>                                  |       |                    |                    |                    |                    |
| Basic and diluted earning per share (TZS)                  | 42    | <b>315</b>         | <b>551</b>         |                    |                    |



## Statement Of Financial Position

|                                             | Notes | GROUP       |             | COMPANY     |             |
|---------------------------------------------|-------|-------------|-------------|-------------|-------------|
|                                             |       | 2024        | 2023        | 2024        | 2023        |
|                                             |       | TZS '000    | TZS '000    | TZS '000    | TZS '000    |
| Assets                                      |       |             |             |             |             |
| Non-current assets                          |       |             |             |             |             |
| Property, plant and equipment               | 18    | 142,081,650 | 135,386,743 | 136,164,437 | 135,386,743 |
| Intangible assets                           | 19    | 826,625     | 858,706     | 826,625     | 858,706     |
| Goodwill                                    | 21    | 2,500,362   | -           | -           | -           |
| Land and mineral reserves                   | 46    | 40,829,723  | -           | -           | -           |
| Leasehold land                              | 20    | 925,237     | 953,083     | 925,237     | 953,083     |
| Right of use assets                         | 22    | 169,345     | 1,004,266   | 169,345     | 1,004,266   |
| Investment in subsidiary                    | 23    | -           | -           | 42,020,000  | -           |
| Other non-current financial assets          | 27    | 19,000      | 352,000     | 19,000      | 352,000     |
|                                             |       | 187,351,942 | 138,554,798 | 180,124,644 | 138,554,798 |
| Current assets                              |       |             |             |             |             |
| Inventories                                 | 24    | 85,199,372  | 91,459,061  | 84,003,243  | 91,459,061  |
| Trade receivables                           | 25    | 63,855,135  | 61,659,567  | 70,522,424  | 61,659,567  |
| Other short-term operating receivables      | 26    | 25,955,778  | 19,652,739  | 25,621,192  | 19,652,739  |
| Current income tax recoverable              | 34    | 4,834,448   | 2,450,612   | 4,834,448   | 2,450,612   |
| Other current financial assets              | 27    | 420,000     | 540,000     | 420,000     | 540,000     |
| Cash and bank balances                      | 28    | 115,333,919 | 131,369,615 | 115,331,164 | 131,369,615 |
|                                             |       | 295,598,652 | 307,131,594 | 300,732,471 | 307,131,594 |
| Total Assets                                |       | 482,950,594 | 445,686,392 | 480,857,115 | 445,686,392 |
| Equity And Liabilities                      |       |             |             |             |             |
| Equity                                      |       |             |             |             |             |
| Share capital                               | 29    | 3,598,462   | 3,598,462   | 3,598,462   | 3,598,462   |
| Retained earnings                           |       | 311,300,924 | 324,958,486 | 311,300,924 | 324,958,486 |
| Equity attributable to owners of the parent |       | 314,899,386 | 328,556,948 | 314,899,386 | 328,556,948 |
| Non-controlling interest                    | 45    | 2,079,980   | -           | -           | -           |
| Total equity                                |       | 316,979,366 | 328,556,948 | 314,899,386 | 328,556,948 |
| Non-current liabilities                     |       |             |             |             |             |
| Lease liabilities                           | 30    | 185,130     | 185,766     | 185,130     | 185,766     |
| Employment benefit obligations              | 31    | 5,416,086   | 5,386,658   | 5,416,086   | 5,386,658   |
| Provision for quarry site restoration       | 33    | 5,231,232   | 4,573,453   | 5,231,232   | 4,573,453   |
| Deferred income tax liability               | 34    | 6,784,850   | 10,559,783  | 6,784,850   | 10,559,783  |
|                                             |       | 17,617,298  | 20,705,660  | 17,617,298  | 20,705,660  |
| Current liabilities                         |       |             |             |             |             |
| Lease liabilities                           | 30    | 636         | 963,806     | 636         | 963,806     |
| Employment benefit obligations              | 31    | 925,948     | 562,206     | 925,948     | 562,206     |
| Trade and other payables                    | 35(a) | 132,787,068 | 81,389,778  | 132,773,569 | 81,389,778  |
| Provisions                                  | 35(b) | 11,785,869  | 10,583,245  | 11,785,869  | 10,583,245  |
| Dividend payable                            | 39    | 2,854,409   | 2,924,749   | 2,854,409   | 2,924,749   |
|                                             |       | 148,353,930 | 96,423,784  | 148,340,431 | 96,423,784  |
| Total Equity And Liabilities                |       | 482,950,594 | 445,686,392 | 480,857,115 | 445,686,392 |

These financial statements were authorised for issue in accordance with a resolution of the Board of directors passed on 09 June 2024 and were signed on its behalf by:

Name: **ALFONSO VELEZ**

Title: **DIRECTOR**

Signature: 

Name: **OSWALD URASSA**

Title: **DIRECTOR**

Signature: 

## Statement Of Changes In Equity

| GROUP                                                       | Share Capital and Share Premium (Note 29) | Retained earnings | Non Controlling Interest | Total Equity |
|-------------------------------------------------------------|-------------------------------------------|-------------------|--------------------------|--------------|
|                                                             | TZS '000                                  | TZS '000          | TZS '000                 | TZS '000     |
| As at 01 January 2024                                       | 3,598,462                                 | 324,958,486       | -                        | 328,556,948  |
| Non-controlling interests arising on a business combination | -                                         | -                 | 2,079,980 *              | 2,079,980    |
| Profit for the year                                         | -                                         | 56,673,643        | -                        | 56,673,643   |
| Tax                                                         | -                                         | (161,196)         | -                        | (161,196)    |

## Transactions with owners in their capacity as owners:

|                               |                  |                    |                  |                    |
|-------------------------------|------------------|--------------------|------------------|--------------------|
| Dividends declared (Note 39)  | -                | (70,170,009)       | -                | (70,170,009)       |
|                               | -                | (70,170,009)       | -                | (70,170,009)       |
| <b>As at 31 December 2024</b> | <b>3,598,462</b> | <b>311,300,924</b> | <b>2,079,980</b> | <b>316,979,366</b> |

|                       |           |             |   |             |
|-----------------------|-----------|-------------|---|-------------|
| As at 01 January 2023 | 3,598,462 | 296,139,811 | - | 299,738,273 |
| Profit for the year   | -         | 99,183,746  | - | 99,183,746  |
| Tax                   | -         | (195,062)   | - | (195,062)   |

## Transactions with owners in their capacity as owners:

|                               |                  |                    |          |                    |
|-------------------------------|------------------|--------------------|----------|--------------------|
| Dividends declared (Note 39)  | -                | (70,170,009)       | -        | (70,170,009)       |
|                               | -                | (70,170,009)       | -        | (70,170,009)       |
| <b>As at 31 December 2023</b> | <b>3,598,462</b> | <b>324,958,486</b> | <b>-</b> | <b>328,556,948</b> |

\*Non-controlling interests from business combination on acquisition date



| COMPANY                                                      | Share Capital and<br>Share Premium<br>(Note 29) | Retained earnings  | Total Equity       |
|--------------------------------------------------------------|-------------------------------------------------|--------------------|--------------------|
|                                                              | TZS '000                                        | TZS '000           | TZS '000           |
| As at 01 January 2024                                        | 3,598,462                                       | 324,958,486        | 328,556,948        |
| Profit for the year                                          | -                                               | 56,673,643         | 56,673,643         |
| Tax                                                          | -                                               | (161,196)          | (161,196)          |
| <b>Transactions with owners in their capacity as owners:</b> |                                                 |                    |                    |
| Dividends declared (Note 39)                                 | -                                               | (70,170,009)       | (70,170,009)       |
|                                                              | -                                               | (70,170,009)       | (70,170,009)       |
| <b>As at 31 December 2024</b>                                | <b>3,598,462</b>                                | <b>311,300,924</b> | <b>314,899,386</b> |
| As at 01 January 2023                                        | 3,598,462                                       | 296,139,811        | 299,738,273        |
| Profit for the year                                          | -                                               | 99,183,746         | 99,183,746         |
| Tax                                                          | -                                               | (195,062)          | (195,062)          |
| <b>Transactions with owners in their capacity as owners:</b> |                                                 |                    |                    |
| Dividends declared (Note 39)                                 | -                                               | (70,170,009)       | (70,170,009)       |
|                                                              | -                                               | (70,170,009)       | (70,170,009)       |
| <b>As at 31 December 2023</b>                                | <b>3,598,462</b>                                | <b>324,958,486</b> | <b>328,556,948</b> |

## Statement Of Cash Flows

|                                                                     | Notes | 2024               |  | 2023               |                    |
|---------------------------------------------------------------------|-------|--------------------|--|--------------------|--------------------|
|                                                                     |       | TZS '000           |  | TZS '000           |                    |
| <b>Operating activities</b>                                         |       |                    |  |                    |                    |
| Profit before tax                                                   |       | 81,232,902         |  | 143,474,503        | 143,474,503        |
| <b>Adjustment to reconcile profit before tax to net cash flows:</b> |       |                    |  |                    |                    |
| Depreciation and amortisation                                       | 12    | 19,685,064         |  | 21,818,849         | 21,818,849         |
| Interest expense                                                    | 16    | 627,587            |  | 1,051,474          | 1,051,474          |
| Interest income                                                     | 15    | (2,579,964)        |  | (3,092,852)        | (3,092,852)        |
| Net unrealised exchange (gain)/loss                                 | 17    | 1,062,647          |  | (7,386,138)        | (7,386,138)        |
| Net provision for obsolete inventories                              | 24    | 1,781,450          |  | 2,902,936          | 2,902,936          |
| (Decrease)/increase in site restoration provision                   | 33    | 657,779            |  | 307,142            | 307,142            |
| Post employment benefit provision- Service cost                     | 31    | 344,619            |  | 336,169            | 336,169            |
| (Decrease)/increase in other provisions                             | 35(b) | 1,202,624          |  | (2,466,530)        | (2,466,530)        |
| Expected credit losses for trade receivables                        | 25    | 187,251            |  | 11                 | 11                 |
| Gain on disposal of property, plant and equipment                   | 8     | (38,559)           |  | (8,540,612)        | (8,540,612)        |
| <b>Cash flows before changes in working capital items</b>           |       | <b>104,163,400</b> |  | <b>148,404,952</b> | <b>148,404,952</b> |
| <b>Working capital adjustments:</b>                                 |       |                    |  |                    |                    |
| Inventories - gross*                                                |       | 5,977,170          |  | (7,966,182)        | (7,966,182)        |
| Trade receivables - gross                                           |       | (3,132,894)        |  | (8,098,464)        | (8,098,464)        |
| Other short-term operating receivables*                             |       | (5,218,378)        |  | 4,540,996          | 4,540,996          |
| Other financial assets                                              |       | 453,000            |  | 282,000            | 282,000            |
| Trade and other payables*                                           |       | 50,630,378         |  | 2,995,383          | 2,995,383          |
| <b>Net working capital adjustments</b>                              |       | <b>48,709,276</b>  |  | <b>(8,246,267)</b> | <b>(8,246,267)</b> |
| Corporation tax paid                                                | 34    | (30,648,973)       |  | (46,686,343)       | (46,686,343)       |
| Payment to post employment benefit - Benefit payments               | 31    | (748,563)          |  | (519,139)          | (519,139)          |
| Interest received                                                   | 15    | 2,579,964          |  | 3,092,852          | 3,092,852          |
| <b>Net cash inflows from operating activities</b>                   |       | <b>124,055,104</b> |  | <b>96,046,055</b>  | <b>96,046,055</b>  |
| <b>Investing activities</b>                                         |       |                    |  |                    |                    |



|                                                               | Notes | 2024                |                     | 2023                |                     |
|---------------------------------------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
|                                                               |       | TZS '000            |                     | TZS '000            |                     |
| Proceeds from disposal of property, plant and equipment       | 8     | 38,559              | 8,540,612           | 38,559              | 8,540,612           |
| Payment for capital works-in-progress and PPE                 | 18    | (28,107,089)        | (11,966,203)        | (22,189,876)        | (11,966,203)        |
| Investment in subsidiary                                      | 23    | -                   | -                   | (39,697,503)        | -                   |
| Payment for acquisition of subsidiary, net of cash acquired   | 23    | (39,694,744)        | -                   | -                   | -                   |
| <b>Net cash flows used in investing activities</b>            |       | <b>(67,763,274)</b> | <b>(3,425,591)</b>  | <b>(61,848,820)</b> | <b>(3,425,591)</b>  |
| <b>Financing activities</b>                                   |       |                     |                     |                     |                     |
| Dividends paid                                                | 39    | (70,240,349)        | (70,150,633)        | (70,240,349)        | (70,150,633)        |
| Payment of lease liabilities - principal and interest         | 30    | (1,024,557)         | (3,998,998)         | (1,024,557)         | (3,998,998)         |
| <b>Net cash flows used in financing activities</b>            |       | <b>(69,934,226)</b> | <b>(74,149,631)</b> | <b>(71,124,226)</b> | <b>(74,149,631)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |       | <b>(14,973,076)</b> | <b>18,470,833</b>   | <b>(14,975,831)</b> | <b>18,470,833</b>   |
| Net unrealised exchange gain/(loss)                           |       | (1,062,620)         | 7,386,138           | (1,062,620)         | 7,386,138           |
| Cash and cash equivalents at 01 January                       |       | <b>131,369,615</b>  | <b>105,512,644</b>  | <b>131,369,615</b>  | <b>105,512,644</b>  |
| <b>Cash and cash equivalent at 31 December</b>                | 28    | <b>115,333,919</b>  | <b>131,369,615</b>  | <b>115,331,164</b>  | <b>131,369,615</b>  |

\*Inventory gross-exclude fair value and transfer from capital items in stock

\*Other short-term operating receivables-exclude other receivables acquired

\*Trade and other payables-exclude other payables acquired

## 1. Corporate Information

The consolidated and separate financial statements of Tanzania Portland Cement Public Limited Company ('the Company') and its subsidiary Mamba Cement Company Limited (the "Subsidiary"), [together, the "Group"] for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Directors as indicated on the statement of financial position. The Company is a Public Limited Company incorporated and domiciled in Tanzania. The Company's shares are publicly traded. The registered office is located at Wazo Hill, Dar es Salaam.

The principal activities of the Company are disclosed in the Report by those charged with governance. Information on its holding Company is provided in Note 40

## 2. Basis Of Preparation

The consolidated and separate financial statements have been prepared on a historical cost basis, except when stated otherwise. The consolidated and separate financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest thousand (TZS '000'), except when otherwise indicate.

### Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the Tanzanian Companies Act, 2002.

The consolidated financial statements comprise the Company and its subsidiary (together, the "Group"). The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtained control and continues to be consolidated until the date when such control ceases. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary and are prepared for the same reporting period as the Company, using consistent accounting policies. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the consolidated entities to bring their accounting policies in line with the Group's accounting policies.

All intra-group balances, transactions, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The investment in the subsidiary is measured at cost less impairment losses in the Company's separate financial statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; or
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

### Going Concern

The Group has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

## 3. Material Accounting Policies

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

### a) Revenue recognition

Revenue represents income arising in the course of Group's ordinary activities, which leads to an increase in economic benefits during the accounting period. 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 Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is stated net of value-added tax (VAT).

Revenue is primarily derived from the sale of cement to distributors. Revenue is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection of cement by customers at the Company's premises.

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Group accounts for a revenue contract with a customer only when all the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to performing their respective obligations;
- The Group can identify each party's rights regarding the goods or services to be transferred;



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 3. Significant Accounting Policies Continued

- The Group can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance (i.e., the risk, timing, or amount of future cash flows is expected to change as a result of the contract); and
- It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, and customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any. Currently, the Group does not sell cement to customers or have contracts with customers that have significant financing components.

#### Contract balances and liabilities

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies on financial assets.

##### Unsatisfied delivery contracts

As of 31st December, for the year ended, there was no unsatisfied obligations resulting from cement deliveries.

##### Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. The Group's contract liabilities consist of advance deposits from customers for cement sales.

##### Cost to obtain a contract.

The Group defers and amortises these costs over the period of the contract.

#### b) Foreign currency translation

##### Functional and presentation currency

The financial statements are presented in Tanzanian Shillings (TZS), which is the Group's functional and presentation currency.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

### 3. Significant Accounting Policies Continued

#### c) Property, plant, and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses, if any. Such cost includes the cost of any replacing part of the property, plant, and equipment when that cost is incurred if the recognition criteria are met. All other repair and maintenance costs are recognised in profit and loss as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates of depreciation that have been consistently applied are:

| Description                                                       | Rate (%)   |
|-------------------------------------------------------------------|------------|
| Buildings and roads                                               | 4.0        |
| Production machinery and equipment: (Factory plant and machinery) | 5.0 – 10.0 |
| Production machinery and equipment (Quarry plant and machinery)   | 25.0       |
| Other equipment (Furniture, equipment, and fixtures)              | 12.5       |
| Other equipment (Motor vehicles)                                  | 25.0       |
| Other equipment (Computer hardware)                               | 33.3       |

An item of property, plant, and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised. The asset is derecognised once control has been transferred to the buyer.

The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively, if appropriate, at each financial year-end.

#### Capital work-in-progress.

Capital work-in-progress includes accumulated cost of property, plant, and equipment which is under construction or for which cost has been incurred, but which is not yet ready for use by the Group. It also includes costs incurred for assets being constructed by third parties, assets that have not been delivered to or installed in the facility, and assets which cannot be used until certain other assets are acquired and installed.

Where there is a significant interval between the time at which cost is incurred in connection with the acquisition of an asset and when the asset will be ready for use, the cost is accumulated in capital work-in-progress. At the time the asset is ready for use, the accumulated cost is to be transferred to the appropriate category, and depreciation starts. Capital work-in-progress is not depreciated, since by the definition it is not yet ready for use.

#### d) Capital items in stock

Spare parts and servicing equipment are classified as Property, Plant, and Equipment rather than inventory when they meet the definition of Property, Plant, and Equipment, with a useful life of more than 5 years and a value of more than TZS 140 million. They are measured on cost less depreciation and provision for impairment.

#### e) Intangible assets

The Group's intangible assets include the value of computer software and mining rights for the limestone quarry. Mining rights are rights to extract limestone from the land that belongs to the government. The Group pays the cost of the mining rights at the inception of the contract in advance and amortizes over the life of the contract or units of production giving mining rights.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite. 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 annual rate of amortisation that has been consistently applied is 20% – 50%. The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 3. Significant Accounting Policies Continued

amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss.

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. Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### f) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and value in use. A cash-generating unit is a small identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less cost of disposal is higher than its carrying amounts or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be determined.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the assets.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transaction can be identified, and the appropriate valuation model is used value in use is determined using budgeted.

#### g) Inventories

Inventories are stated 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 weighted average basis.
- Finished goods and work in progress – the cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### h) 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.

#### i) Financial assets

##### Initial recognition and measurement

Financial assets at initial recognition, financial assets are classified into three categories: amortized 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (a) Revenue recognition.

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.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate

### 3. Significant Accounting Policies Continued

#### j) Provisions Continued

cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

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 Group commits to purchase or sell the asset.

As at the year-end, the financial assets of the Group included cash and cash equivalents, trade receivables, and other financial assets; all classified as assets held to collect and therefore measured at amortised cost.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with the recycling of cumulative gains and losses upon derecognition (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group 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 to hold 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 (debt instrument) 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 Group's financial assets at amortised cost include trade receivable, other short-term operating receivables bank balances, and other financial assets.

#### Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 3. Significant Accounting Policies Continued

#### Impairment of financial assets

The Group 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 Group 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.

ECLs are recognised in two stages. 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 and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. A gross carrying amount will be written off when the financial assets can not be recovered after three years.

#### ii) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, 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 financial liabilities at amortised cost, net of incremental transaction costs.

The Group's financial liabilities include Interest bearing loans, accrued expenses, trade payables, and other payables that are financial instruments. These are all classified as financial liabilities at amortised cost.

##### Subsequent measurement

After initial recognition, interest-bearing loans and trade and other payables are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 in the finance costs in the statement of comprehensive income.

##### De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying value is recognised in profit or loss.

#### i) 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.

**j) Provisions****General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Site restoration provision**

The provision for restoration represents the cost of restoring site damage after the start of production. Increases or decrease in the provision is charged to profit or loss as a cost of production.

Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate.

**Onerous contracts**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

The Group did not have any onerous contracts during the year.

**k) Pensions and other employment benefits**

The Group operates defined contribution plans and defined benefit plans.

**Pension obligations**

Under defined contribution plans, the Group's employees are members of state-owned pension schemes, and the National Social Security Fund (NSSF). The Group contributes 10% of basic salary for each employee who is a member of NSSF, while the employees contribute 10% respectively. The Group's contributions to the funds are charged to profit or loss in the year to which they relate.

**Endowment scheme**

The Group has an endowment scheme administered by the Jubilee Insurance Group of Tanzania Limited. This scheme is a defined contribution plan. The cost of the endowment scheme is fully met by the Group, and it has no further obligations to the scheme.

**Other short-term benefits**

The Group maintains a medical insurance policy for its staff which covers staff and their immediate dependants. The entitlement is recognised through profit or loss under employee expenses. The Group does not have any further obligation after contributions have been made.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Post-employment benefits

Under defined benefit obligations the Group provides certain post-employment benefits at retirement. The expected costs of these benefits are accrued over the period of employment. The liability or asset recognized in the statement of financial position for defined benefit pension obligations is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets.

defined benefit obligations are calculated annually by independent actuaries (Mercer) using the internationally accepted method, the projected unit credit method. This method considers factors such as employee service years, salary growth, expected retirement age, and mortality rates.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid. If there is no deep market for such bonds, market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement Gains and Losses arise from experience adjustments and changes in actuarial assumptions. They are recognized directly in other comprehensive income and included in retained earnings in the statement of changes in equity and the statement of financial position.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance schemes. Once the contributions have been paid, the Group has no further payment obligations. These contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset if a cash refund or a reduction in future payments is available.

### Long-service employment benefits (other long-term employee benefits)

Under this defined benefit plan, the Group provides benefits in the form of cement at certain milestones during the period of employment.

The expected costs of these benefits are accrued over the period of employment and the present value of the obligation is determined by reference to market yields on high-quality corporate bonds, where there is no deep market in such bonds, the market yields on government bonds are used at the end of the reporting period.

These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

Interest is calculated by applying the discount rate to the defined benefit liability. The Group recognises the following changes in the defined benefit obligation in the statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements
- Interest expense

Key assumptions and sensitivity analysis are disclosed under Note 31

### I) Taxes

#### Current tax

Current income tax assets and liabilities for the current period 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

### Tax uncertainties

Tax uncertainties in our operations stem from various sources, like tax authority uncertain tax laws interpretations, international transactions, and changing laws. To navigate this, we use a multi-pronged approach. This includes getting clarifications from the Tanzania Revenue Authority (TRA), staying in touch with them, and keeping ourselves updated on new regulations. By being proactive and compliant, minimizing tax exposures. For pending tax matters, close follow up at all levels is consistently sought, and appropriate risk control measures are in constant checks

### Deferred tax

Deferred tax is provided using the liability method 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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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 and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When 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.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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. At the end of each reporting period, the Group reassesses unrecognised deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
- 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 directly 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 tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

### Value-added tax

Revenues, expenses, and assets are recognised net of the amount of Value Added Tax, except

- Where 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.
- Receivables and payables that 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.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### m) Royalty

A royalty fee is a fixed charge paid to the government on annual basis based on the unit of minerals extracted by the Company. The annual fee paid depends on material extracted during a particular month.

### n) Dividend distribution

Dividend distribution to the shareholders is charged to equity and recognised as a liability in the Company's financial statements in the period in which they are declared, and after being approved by the shareholders at the Annual General Meeting.

#### Dividend withholding tax

Dividend withholding tax is payable at a rate of 5% on dividends distributed to shareholders. This tax is not attributable to the Group paying the dividend but is collected by the Group and paid to the tax authorities on behalf of the shareholder.

### o) Current versus non-current classification

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

- 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 12 months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- 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 12 months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classify all other liabilities as non-current.

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

### p) Cost of sales

All costs directly linked to the production, handling, and storing of goods within the factory premises are classified under cost of sales. They exclude those period costs that would be incurred regardless of whether the Group make any production. Cost of sales includes carrying amounts of inventories sold during the period. Included in this are some fixed components like direct labour cost; variable costs such as power, materials, handling, and distribution cost. Costs are allocated based on cost centres, expenses allocated to cost of sales are those which are within technical, mechanical, and production cost centres.

### p) Leases

The Group 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.

#### The Group as a lessee

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

### Right-of-use assets

The Group recognizes 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 recognized, 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 useful life of the asset and lease term.

The right-of-use assets are subject to impairment in line with the Group's policy for impairment of non-financial assets

The useful life of the Group's right-of-use asset is as follows:

- Quarry equipment - 3.25 years
- Factory land - 99 years

### Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include 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 Group and payments of penalties for terminating the lease if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group 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 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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 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.

### r) Cash and bank balances

Cash and short-term deposits in the statement of financial position comprise bank balances and time deposit accounts with banks whose original maturities do not exceed three months and cash on hand. For the purpose of the statement of cash flows, cash, and cash equivalents consist of cash and bank balances as defined above.

### s) Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Company's previously held equity interest in the acquiree, if any, over the net fair value of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.



## Notes to the Financial Statements for the Year Ended 31 December 2024

Where applicable, the consideration transferred includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Changes in fair value that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Changes in fair value that do not qualify as measurement period adjustments are adjusted prospectively, with the corresponding gain or loss being recognised in profit or loss.

Components of non-controlling interests that are current ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the acquisition date at either:

- Fair value; or
- the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis.

Components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS Accounting Standards as issued by the International Accounting Standards Board. The difference between the proceeds and the carrying amount of the net assets and liabilities disposed of, adjusted for any related carrying amount of goodwill, is recognised as the profit or loss on disposal of subsidiaries.

### Accounting for subsidiaries

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has existing rights that give it the current ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity. The results of subsidiaries are included in the statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal. Investments in subsidiaries are measured at cost less accumulated impairment in separate financial statements.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The consolidated financial statements include the Company's fully owned subsidiary which is Mamba Cement Company Limited.

## 4. New And Amended Standards And Interpretations

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

### Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's financial statements.

### Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements.

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

## 5. Standards and Interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Company intends to adopt these standards, if applicable when they become effective.

### Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

### IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, 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' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

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It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

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IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

## 6. Significant Accounting Judgements, Estimates, And Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Group's accounting policies, management has made the following significant estimations, which has the most significant effect on the amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year-end date, that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below

### Expected credit losses

The Group assesses the financial assets portfolio to determine whether an impairment loss should be recorded in profit or loss. The Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of an individual debtor in that portfolio. The Group performs impairment assessment during recognition of the financial assets taking into consideration forward-looking information pertaining to a specific debtor or a certain debtor's portfolio. The assessment of the correlation between historically observed default rates, forecasts of economic conditions, and ECLs involves estimation. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

More information on impairment losses including the carrying amounts of the balances affected is presented in Note 25 and 26

The Group assesses the financial assets portfolio to determine whether an impairment loss should be recorded in profit or loss. The Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of an individual debtor in that portfolio. The Group performs impairment assessment during recognition of the financial assets taking into consideration forward-looking information pertaining to a specific debtor or a certain debtor's portfolio. The assessment of the correlation between historically observed default rates, forecasts of economic conditions, and ECLs involves estimation. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

More information on impairment losses including the carrying amounts of the balances affected is presented in Note 25 and 26

### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying value may not be recoverable. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The assets that are subject to this are presented in Notes 18,19 and 20.

### Post-employment and long service defined benefit plans

The cost of defined benefit pension plans and other long-term employment plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are included in Note 31.

### Provision for quarry rehabilitation

Limestone is mined from the quarry in a way that leaves the "used" area as a one-level horizontal plateau (bench). The Group re-cultivates the quarry sites that will no longer be mined, and the Group has a quarry rehabilitation plan.

Due to the long-term nature of mining a quarry, assessment of the quarry rehabilitation provision is subject to significant estimates. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. The discount rate used in the calculation of the provision as at 31 December 2024 equalled 15.75% (2023: 12.10%). Refer to Note 33 for more information on the quarry rehabilitation provision.

### Asset useful lives

The estimated useful lives and residual values of items of property, plant, and equipment are reviewed annually and are in line with the rates at which they are depreciated.

For the carrying amount of property, plant, and equipment, refer to Note 18 to the financial statements.

### Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings, as a rule, raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought, and differences in applicable law. Upon resolution of any pending legal matter, the Group may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations, or cash flows of the Group could be materially affected by the unfavourable outcome of the litigation.

For details on the contingent liabilities amounts, refer to Note 41 to the financial statements.

### Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective domicile of the companies.

For disclosures and details on tax and tax contingencies, refer to Notes 34 and 4 of the financial statements.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Leases

#### Estimating the incremental borrowing rate

The Group 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 Group 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 Group would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating)

#### Determining the lease term of contracts with renewal and termination options

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group reassesses the lease term if there is a significant event or change in circumstances that are 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 Group includes the renewal period as part of the lease term for the leases recognised. The Group typically exercises its option to renew for leases because there will be a significant negative effect on operations if a replacement asset is not readily available. The renewal periods for leases are not included as part of the lease term if they 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.

## 7. Revenue from Contracts With Customers

### Disaggregated revenue information

The Company presents disaggregated revenue based on the type of goods provided to customers and the timing of transfer of the goods. Set out below is the disaggregation of the Company's revenue from contracts with customers.

Sales of cement per cement type:

|                            | GROUP              |                    | COMPANY            |                    |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
|                            | 2024               | 2023               | 2024               | 2023               |
| <i>Figures in TZS '000</i> |                    |                    |                    |                    |
| Twiga cement plus          | 307,702,782        | 338,957,481        | 307,702,782        | 338,957,481        |
| Twiga cement extra         | 47,422,771         | 48,678,486         | 47,422,771         | 48,678,486         |
| Twiga cement ordinary      | 85,265,906         | 72,092,638         | 85,265,906         | 72,092,638         |
| Twiga cement super         | 1,665,468          | 2,889,403          | 1,665,468          | 2,889,403          |
| Twiga cement mega          | 158,769            | 3,817,447          | 158,769            | 3,817,447          |
| Coal                       | 6,370,396          | 23,736,374         | 6,370,396          | 23,736,374         |
| <b>Total Sales</b>         | <b>448,586,092</b> | <b>490,171,829</b> | <b>448,586,092</b> | <b>490,171,829</b> |

Sales revenue distribution in both domestic and export Markets: ;

|                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| Domestic sales     | 390,387,334        | 410,322,340        | 390,387,334        | 410,322,340        |
| Export sales       | 58,198,758         | 79,849,489         | 58,198,758         | 79,849,489         |
| <b>Total Sales</b> | <b>448,586,092</b> | <b>490,171,829</b> | <b>448,586,092</b> | <b>490,171,829</b> |

**Timing of revenue recognition:**

|                                      |             |             |             |             |
|--------------------------------------|-------------|-------------|-------------|-------------|
| Goods transferred at a point in time | 448,586,092 | 490,171,829 | 448,586,092 | 490,171,829 |
|--------------------------------------|-------------|-------------|-------------|-------------|

## 8. Other Operating Income

| <i>Figures in TZS '000</i>                        | 2024           | 2023             | 2024           | 2023             |
|---------------------------------------------------|----------------|------------------|----------------|------------------|
| Gain on disposal of property, plant and equipment | 38,559         | 8,540,612        | 38,559         | 8,540,612        |
| Other income                                      | 910,802        | 1,204,532        | 910,802        | 1,204,532        |
|                                                   | <b>949,361</b> | <b>9,745,144</b> | <b>949,361</b> | <b>9,745,144</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 9. Cost of Sales

| <i>Figures in TZS '000</i>                               | 2024               | 2023               | 2024               | 2023               |
|----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Variable costs                                           | 278,207,481        | 270,495,567        | 278,207,481        | 270,495,567        |
| Fixed production costs                                   | 40,620,289         | 38,634,353         | 40,620,289         | 38,634,353         |
| Provision for slow-moving and obsolescence (Note 22 (a)) | 1,781,450          | 2,902,936          | 1,781,450          | 2,902,936          |
| Release of impairment of obsolete consumables            | -                  | -                  | -                  | -                  |
| Depreciation, amortisation, and impairment (Note 18)     | 18,790,216         | 18,410,421         | 18,790,216         | 18,410,421         |
|                                                          | <b>339,399,436</b> | <b>330,443,277</b> | <b>339,399,436</b> | <b>330,443,277</b> |

Cost of sales includes the cost incurred on raw materials, fuel, electricity, personnel, maintenance, distribution, and other production expenses. Depreciation incurred for factory machines and equipment is presented separately in note 12.

| <i>Figures in TZS '000</i>                           | GROUP              |                    | COMPANY            |                    |
|------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                      | 2024               | 2023               | 2024               | 2023               |
| <b>Included in cost of sales variable costs are:</b> |                    |                    |                    |                    |
| Distribution costs                                   | 18,971,934         | 30,155,897         | 18,971,934         | 30,155,897         |
| Raw materials costs                                  | 101,376,064        | 89,480,252         | 101,376,064        | 89,480,252         |
| Energy costs                                         | 92,352,958         | 86,385,680         | 92,352,958         | 86,385,680         |
| Grinding and packaging costs                         | 19,825,973         | 20,163,974         | 19,825,973         | 20,163,974         |
| Consumables costs                                    | 5,712,423          | 7,195,426          | 5,712,423          | 7,195,426          |
| Costs of goods for resale - coal                     | 5,263,035          | 21,003,101         | 5,263,035          | 21,003,101         |
| Excise duty costs                                    | 32,629,767         | 15,607,272         | 32,629,767         | 15,607,272         |
| Other variable production costs                      | 2,075,327          | 503,965            | 2,075,327          | 503,965            |
|                                                      | <b>278,207,481</b> | <b>270,495,567</b> | <b>278,207,481</b> | <b>270,495,567</b> |

#### Included in cost of sales - fixed production costs are:

|                                      |                   |                   |                   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Cost of repair and maintenance costs | 15,564,961        | 17,450,453        | 15,564,961        | 17,450,453        |
| Staff costs fixed production         | 13 16,859,845     | 16,969,940        | 16,859,845        | 16,969,940        |
| Consultancy and insurance costs      | 2,075,627         | 1,785,319         | 2,075,627         | 1,785,319         |
| Security and safety gears costs      | 1,527,881         | 1,685,495         | 1,527,881         | 1,685,495         |
| Other fixed production costs         | 4,591,975         | 743,146           | 4,591,975         | 743,146           |
|                                      | <b>40,620,289</b> | <b>38,634,353</b> | <b>40,620,289</b> | <b>38,634,353</b> |

### 10. Selling And Marketing Expenses

| <i>Figures in TZS '000</i>              | 2024             | 2023             | 2024             | 2023             |
|-----------------------------------------|------------------|------------------|------------------|------------------|
| Staff costs                             | 13 2,495,576     | 2,200,141        | 2,495,576        | 2,200,141        |
| Marketing, advertising, and sales costs | 1,142,816        | 3,691,588        | 1,142,816        | 3,691,588        |
|                                         | <b>3,638,392</b> | <b>5,891,729</b> | <b>3,638,392</b> | <b>5,891,729</b> |

## 11. Administrative Expenses

| Figures in TZS '000                                  | Notes | GROUP             |                   | COMPANY           |                   |
|------------------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                                      |       | 2024              | 2023              | 2024              | 2023              |
| Staff costs                                          | 13    | 5,885,866         | 4,989,559         | 5,885,866         | 4,989,559         |
| Consultancy costs                                    |       | 2,215,562         | 4,883,488         | 2,215,562         | 4,883,488         |
| Technical assistance                                 |       | 5,923,390         | 6,697,984         | 5,923,390         | 6,697,984         |
| Other administrative expenses                        |       | 9,748,139         | 9,460,556         | 9,748,139         | 9,460,556         |
| Depreciation, amortisation, and impairment (Note 12) |       | 894,848           | 3,408,428         | 894,848           | 3,408,428         |
|                                                      |       | <b>24,667,805</b> | <b>29,440,015</b> | <b>24,667,805</b> | <b>29,440,015</b> |

### Included in Other administrative expenses are:

|                                                           |                  |                  |                  |                  |
|-----------------------------------------------------------|------------------|------------------|------------------|------------------|
| Audit fees                                                | 170,250          | 183,979          | 170,250          | 183,979          |
| Donations and corporate social responsibility             | 79,130           | 164,731          | 79,130           | 164,731          |
| Environmental, overheads & other admin costs              | 6,517,578        | 6,162,930        | 6,517,578        | 6,162,930        |
| Expense relating to short-term leases of low-value assets | 1,188,037        | 1,027,550        | 1,188,037        | 1,027,550        |
| Travelling costs                                          | 1,262,867        | 1,099,431        | 1,262,867        | 1,099,431        |
| Legal fees                                                | 466,157          | 757,672          | 466,157          | 757,672          |
| Directors' remuneration                                   | 64,120           | 64,263           | 64,120           | 64,263           |
|                                                           | <b>9,748,139</b> | <b>9,460,556</b> | <b>9,748,139</b> | <b>9,460,556</b> |

## 12. Depreciation and Amortisation

| Figures in TZS '000                          | Notes | 2024              | 2023              | 2024              | 2023              |
|----------------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
| Depreciation of property plant and equipment |       | 18,790,216        | 18,410,421        | 18,790,216        | 18,410,421        |
| Depreciation expense of right-of-use assets  |       | 834,921           | 3,329,725         | 834,921           | 3,329,725         |
| Amortisation of intangible assets            |       | 32,081            | 50,857            | 32,081            | 50,857            |
| Amortisation of lease hold land              |       | 27,846            | 27,846            | 27,846            | 27,846            |
|                                              |       | <b>19,685,064</b> | <b>21,818,849</b> | <b>19,685,064</b> | <b>21,818,849</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 13. Staff Costs

|                                              |       | GROUP      |            | COMPANY    |            |
|----------------------------------------------|-------|------------|------------|------------|------------|
| <i>Figures in TZS '000</i>                   | Notes | 2024       | 2023       | 2024       | 2023       |
| Staff costs under:                           |       |            |            |            |            |
| Cost of sales                                |       | 16,859,845 | 16,969,940 | 16,859,845 | 16,969,940 |
| Selling and marketing costs                  |       | 2,495,576  | 2,200,141  | 2,495,576  | 2,200,141  |
| Administrative expenses                      |       | 5,885,866  | 4,989,559  | 5,885,866  | 4,989,559  |
|                                              |       | 25,241,287 | 24,159,640 | 25,241,287 | 24,159,640 |
| Staff costs is made up of:                   |       |            |            |            |            |
| Salaries, wages and bonuses                  |       | 12,590,309 | 11,614,456 | 12,561,323 | 11,614,456 |
| Expats staff costs (technical assistance)    |       | 3,909,383  | 4,460,031  | 3,909,383  | 4,460,031  |
| Social Security Contribution                 |       | 1,506,724  | 1,448,848  | 1,506,724  | 1,448,848  |
| Payroll tax (SDL and WCF)                    | 32    | 605,651    | 626,940    | 605,651    | 626,940    |
| Post employment - current service costs      | 31    | 344,619    | 336,169    | 344,619    | 336,169    |
| Allowances i.e. leave, shift etc             |       | 2,858,303  | 2,637,592  | 2,858,303  | 2,637,592  |
| Medical, training, meals and beverages       |       | 1,730,910  | 1,598,521  | 1,730,910  | 1,598,521  |
| Other employment costs and employee benefits |       | 1,724,374  | 1,437,083  | 1,724,374  | 1,437,083  |
|                                              |       | 25,270,273 | 24,159,640 | 25,241,287 | 24,159,640 |

### 14. Other Operating Expenses

|                                   | 2024             | 2023             | 2024             | 2023             |
|-----------------------------------|------------------|------------------|------------------|------------------|
| <i>Figures in TZS '000</i>        |                  |                  |                  |                  |
| Local government levies and taxes | 2,572,463        | 1,504,148        | 2,572,463        | 1,504,148        |
| Research and exploration costs    |                  |                  |                  |                  |
| Other operating expenses          | <b>91,500</b>    | <b>-</b>         | <b>91,500</b>    | <b>-</b>         |
|                                   | <b>2,663,963</b> | <b>1,504,148</b> | <b>2,663,963</b> | <b>1,504,148</b> |

### 15. Finance Income

|                                             | 2024             | 2023             | 2024             | 2023             |
|---------------------------------------------|------------------|------------------|------------------|------------------|
| <i>Figures in TZS '000</i>                  |                  |                  |                  |                  |
| Interest income on short-term bank deposits | 2,579,964        | 3,092,852        | 2,579,964        | 3,092,852        |
|                                             | <b>2,579,964</b> | <b>3,092,852</b> | <b>2,579,964</b> | <b>3,092,852</b> |

### 16. Finance Costs

|                                            | 2024           | 2023             | 2024           | 2023             |
|--------------------------------------------|----------------|------------------|----------------|------------------|
| <i>Figures in TZS '000</i>                 |                |                  |                |                  |
| Interest expense on employment obligations | 566,836        | 513,851          | 566,836        | 513,851          |
| Interest expense on lease liabilities      | 60,751         | 537,623          | <b>60,751</b>  | 537,623          |
|                                            | <b>627,587</b> | <b>1,051,474</b> | <b>627,587</b> | <b>1,051,474</b> |

## 17. Gain On Foreign Currency Translation

Figures in TZS '000

|                                                             | 2024               | 2023             | 2024               | 2023             |
|-------------------------------------------------------------|--------------------|------------------|--------------------|------------------|
| Exchange gain - realised                                    | 2,726,613          | 2,352,150        | 2,726,613          | 2,352,150        |
| Exchange loss - realised                                    | (1,231,985)        | (1,875,875)      | (1,231,985)        | (1,875,875)      |
| <b>Sub-total</b>                                            | <b>1,494,628</b>   | <b>476,275</b>   | <b>1,494,628</b>   | <b>476,275</b>   |
| Exchange gain - unrealised                                  | 8,175,230          | 8,533,624        | 8,175,230          | 8,533,624        |
| Exchange loss - unrealised                                  | (9,367,939)        | (214,567)        | (9,367,939)        | (214,567)        |
| <b>Sub-total</b>                                            | <b>(1,192,709)</b> | <b>8,319,057</b> | <b>(1,192,709)</b> | <b>8,319,057</b> |
| <b>Net foreign exchange gains</b>                           | <b>301,919</b>     | <b>8,795,332</b> | <b>301,919</b>     | <b>8,795,332</b> |
| <b>Net foreign exchange gains/(losses) distribution</b>     |                    |                  |                    |                  |
| Net unrealised exchange gains are made up of:               |                    |                  |                    |                  |
| Impacting cash and bank                                     | (1,062,647)        | 7,386,138        | (1,062,647)        | 7,386,138        |
| Impacting operating receivables, payables and others        | (130,062)          | 932,919          | (130,062)          | 932,919          |
|                                                             | <b>(1,192,709)</b> | <b>8,319,057</b> | <b>(1,192,709)</b> | <b>8,319,057</b> |
| <b>Net realised exchange gains/(losses) are made up of:</b> |                    |                  |                    |                  |
| Impacting cash and bank                                     | (658,463)          | (110,897)        | (658,463)          | (110,897)        |
| Impacting operating receivables, payables and others        | (2,153,091)        | 587,172          | 2,153,091          | 587,172          |
|                                                             | <b>1,494,628</b>   | <b>476,275</b>   | <b>1,494,628</b>   | <b>476,275</b>   |
| <b>Net foreign exchange gains</b>                           | <b>301,919</b>     | <b>8,795,332</b> | <b>301,919</b>     | <b>8,795,332</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 18. Property, Plant, And Equipment (PPE)

Company

| Figures in TZS'000                           | Building and Roads | Production machinery & equipment | Furniture, fixtures, motor vehicles & other equipment | Capital items in stock ** | Capital work-in-progress (CWIP) | Total              |
|----------------------------------------------|--------------------|----------------------------------|-------------------------------------------------------|---------------------------|---------------------------------|--------------------|
| <b>Cost</b>                                  |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 01 January 2024</b>                    | <b>53,744,424</b>  | <b>260,309,277</b>               | <b>20,711,248</b>                                     | <b>3,056,635</b>          | <b>13,534,995</b>               | <b>351,356,579</b> |
| Additions                                    | -                  | -                                | -                                                     | 274,408                   | 21,915,468                      | 22,189,876         |
| Transfers                                    | 1,918,759          | 10,418,728                       | 2,133,457                                             | -                         | (14,470,944)                    | -                  |
| Transfers to Inventory                       | -                  | -                                | -                                                     | (299,469)                 | -                               | (299,469)          |
| Transfers - Investment in Subsidiary Note 25 | -                  | -                                | -                                                     | -                         | (2,322,497)                     | (2,322,497)        |
| Disposal                                     | -                  | -                                | (54,380)                                              | -                         | -                               | (54,380)           |
| <b>At 31 December 2024</b>                   | <b>55,663,183</b>  | <b>270,728,005</b>               | <b>22,790,325</b>                                     | <b>3,031,574</b>          | <b>18,657,022</b>               | <b>370,870,109</b> |
| <b>At 01 January 2023</b>                    | <b>53,122,472</b>  | <b>245,031,092</b>               | <b>19,050,147</b>                                     | <b>1,994,264</b>          | <b>20,792,268</b>               | <b>339,990,243</b> |
| Additions                                    | -                  | -                                | -                                                     | 1,561,510                 | 10,404,693                      | 11,966,203         |
| Transfers                                    | 677,680            | 15,278,185                       | 1,706,101                                             | -                         | (17,661,966)                    | -                  |
| Transfers to Inventory                       | -                  | -                                | -                                                     | (402,894)                 | -                               | (402,894)          |
| Transfers - Intangible assets                | -                  | -                                | -                                                     | (96,245)                  | -                               | (96,245)           |
| Disposal                                     | (55,728)           | -                                | (45,000)                                              | -                         | -                               | (100,728)          |
| <b>At 31 December 2023</b>                   | <b>53,744,424</b>  | <b>260,309,277</b>               | <b>20,711,248</b>                                     | <b>3,056,635</b>          | <b>13,534,995</b>               | <b>351,356,579</b> |
| <b>Accumulated depreciation</b>              |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 01 January 2024</b>                    | <b>27,150,476</b>  | <b>169,029,395</b>               | <b>17,994,282</b>                                     | <b>1,795,683</b>          | <b>-</b>                        | <b>215,969,836</b> |
| Charge during the year                       | 2,197,081          | 15,374,893                       | 1,116,219                                             | 102,023                   | -                               | 18,790,216         |
| Disposal                                     | -                  | -                                | (54,380)                                              | -                         | -                               | (54,380)           |
| <b>At 31 December 2024</b>                   | <b>29,347,557</b>  | <b>184,404,288</b>               | <b>19,056,121</b>                                     | <b>1,897,706</b>          | <b>-</b>                        | <b>234,705,672</b> |
| <b>At 01 January 2023</b>                    | <b>25,073,298</b>  | <b>154,403,001</b>               | <b>17,064,929</b>                                     | <b>1,118,915</b>          | <b>-</b>                        | <b>197,660,143</b> |
| Charge during the year                       | 2,132,906          | 14,626,394                       | 974,353                                               | 676,768                   | -                               | 18,410,421         |
| Disposal                                     | (55,728)           | -                                | (45,000)                                              | -                         | -                               | (100,728)          |
| <b>At 31 December 2023</b>                   | <b>27,150,476</b>  | <b>169,029,395</b>               | <b>17,994,282</b>                                     | <b>1,795,683</b>          | <b>-</b>                        | <b>215,969,836</b> |
| <b>Net carrying amount</b>                   |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 31 December 2024</b>                   | <b>26,315,626</b>  | <b>86,323,717</b>                | <b>3,734,204</b>                                      | <b>1,133,868</b>          | <b>18,657,022</b>               | <b>136,164,437</b> |
| <b>At 31 December 2023</b>                   | <b>26,593,948</b>  | <b>91,279,882</b>                | <b>2,716,966</b>                                      | <b>1,260,952</b>          | <b>13,534,995</b>               | <b>135,386,743</b> |

No property, plant and equipment have been pledged as collateral for liabilities.

\*Includes TZS 299.5 million relating to capital items transferred to inventory.

## 18. Property, Plant, And Equipment (PPE)

Group

| Figures in TZS'000                           | Building and Roads | Production machinery & equipment | Furniture, fixtures, motor vehicles & other equipment | Capital items in stock ** | Capital work-in-progress (CWIP) | Total              |
|----------------------------------------------|--------------------|----------------------------------|-------------------------------------------------------|---------------------------|---------------------------------|--------------------|
| <b>Cost</b>                                  |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 01 January 2024</b>                    | <b>53,744,424</b>  | <b>260,309,277</b>               | <b>20,711,248</b>                                     | <b>3,152,879</b>          | <b>13,438,751</b>               | <b>351,356,579</b> |
| Additions                                    | -                  | -                                | -                                                     | 274,408                   | 27,832,681                      | 28,107,089         |
| Transfers                                    | 1,918,759          | 10,418,728                       | 2,133,457                                             | -                         | (14,470,944)                    | -                  |
| Transfers to Inventory                       | -                  | -                                | -                                                     | (299,469)*                | -                               | (299,469)*         |
| Transfers - Investment in Subsidiary Note 23 | -                  | -                                | -                                                     | -                         | (2,322,497)                     | (2,322,497)        |
| Disposal                                     | -                  | -                                | (54,380)                                              | -                         | -                               | (54,380)           |
| <b>At 31 December 2024</b>                   | <b>55,663,183</b>  | <b>270,728,005</b>               | <b>22,790,325</b>                                     | <b>3,127,818</b>          | <b>24,477,991</b>               | <b>376,787,322</b> |
| <b>At 01 January 2023</b>                    | <b>53,122,472</b>  | <b>245,031,092</b>               | <b>19,050,147</b>                                     | <b>1,994,264</b>          | <b>20,792,268</b>               | <b>339,990,243</b> |
| Additions                                    | -                  | -                                | -                                                     | 1,561,510                 | 10,404,693                      | 11,966,203         |
| Transfers                                    | 677,680            | 15,278,185                       | 1,706,101                                             | -                         | (17,661,966)                    | -                  |
| Transfers to Inventory                       | -                  | -                                | -                                                     | (402,894)                 | -                               | (402,894)          |
| Transfers - Intangible assets                | -                  | -                                | -                                                     | (96,245)                  | -                               | (96,245)           |
| Disposal                                     | (55,728)           | -                                | (45,000)                                              | -                         | -                               | (100,728)          |
| <b>At 31 December 2023</b>                   | <b>53,744,424</b>  | <b>260,309,277</b>               | <b>20,711,248</b>                                     | <b>3,056,835</b>          | <b>13,534,995</b>               | <b>351,356,579</b> |
| <b>Accumulated depreciation</b>              |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 01 January 2024</b>                    | <b>27,150,476</b>  | <b>169,029,395</b>               | <b>17,994,282</b>                                     | <b>1,795,683</b>          | <b>-</b>                        | <b>215,969,836</b> |
| Charge during the year                       | 2,197,081          | 15,374,893                       | 1,116,219                                             | 102,023                   | -                               | 18,790,216         |
| Disposal                                     | -                  | -                                | (54,380)                                              | -                         | -                               | (54,380)           |
| <b>At 31 December 2024</b>                   | <b>29,347,557</b>  | <b>184,404,288</b>               | <b>19,056,121</b>                                     | <b>1,897,706</b>          | <b>-</b>                        | <b>234,705,672</b> |
| <b>At 01 January 2023</b>                    | <b>25,073,298</b>  | <b>154,403,001</b>               | <b>17,064,929</b>                                     | <b>1,118,915</b>          | <b>-</b>                        | <b>197,660,143</b> |
| Charge during the year                       | 2,132,906          | 14,626,394                       | 974,353                                               | 676,768                   | -                               | 18,410,421         |
| Disposal                                     | (55,728)           | -                                | (45,000)                                              | -                         | -                               | (100,728)          |
| <b>At 31 December 2023</b>                   | <b>27,150,476</b>  | <b>169,029,395</b>               | <b>17,994,282</b>                                     | <b>1,795,683</b>          | <b>-</b>                        | <b>215,969,836</b> |
| <b>Net carrying amount</b>                   |                    |                                  |                                                       |                           |                                 |                    |
| <b>At 31 December 2024</b>                   | <b>26,315,626</b>  | <b>86,323,717</b>                | <b>3,734,204</b>                                      | <b>1,230,112</b>          | <b>24,477,991</b>               | <b>142,081,650</b> |
| <b>At 31 December 2023</b>                   | <b>26,593,948</b>  | <b>91,279,882</b>                | <b>2,716,966</b>                                      | <b>1,260,952</b>          | <b>13,534,995</b>               | <b>135,386,743</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 19. Intangible Assets

| Figures in TZS'000                        | Software         | Mining rights  | Total            |
|-------------------------------------------|------------------|----------------|------------------|
| <b>Cost</b>                               |                  |                |                  |
| At 01 January 2024                        | 4,986,128        | 919,530        | 5,905,658        |
| Additions - Transfer from CWIP            | -                | -              | -                |
| <b>At 31 December 2024</b>                | <b>4,986,128</b> | <b>919,530</b> | <b>5,905,658</b> |
| <b>Accumulated amortisation</b>           |                  |                |                  |
| At 01 January 2024                        | 4,924,638        | 122,314        | 5,046,952        |
| Charge during the year                    | 32,081           | -              | 32,081           |
| At 31 December 2024                       | <b>4,956,719</b> | <b>122,314</b> | <b>5,079,033</b> |
| <b>Carrying value at 31 December 2024</b> | <b>29,409</b>    | <b>797,216</b> | <b>826,625</b>   |
| <b>Cost</b>                               |                  |                |                  |
| At 01 January 2023                        | 4,889,883        | 919,530        | 5,809,413        |
| Additions - Transfer from CWIP            | 96,245           | -              | 96,245           |
| At 31 December 2023                       | <b>4,986,128</b> | <b>919,530</b> | <b>5,905,658</b> |
| <b>Accumulated amortisation</b>           |                  |                |                  |
| At 01 January 2023                        | 4,873,781        | 122,314        | 4,996,095        |
| Charge during the year                    | 50,857           | -              | 50,857           |
| At 31 December 2023                       | <b>4,924,638</b> | <b>122,314</b> | <b>5,046,952</b> |
| <b>Carrying value at 31 December 2023</b> | <b>61,490</b>    | <b>797,216</b> | <b>858,706</b>   |

### 20. Leasehold Land

| Figures in TZS'000              | 2024           | 2023           | 2024           | 2023           |
|---------------------------------|----------------|----------------|----------------|----------------|
| At 01 January                   | 953,083        | 980,929        | 953,083        | 980,929        |
| Less: Amortisation for the year | (27,846)       | (27,846)       | (27,846)       | (27,846)       |
| At 31 December                  | <b>925,237</b> | <b>953,083</b> | <b>925,237</b> | <b>953,083</b> |

The lease amount was paid upfront and amortised over the useful life. The remaining lease period for leasehold land is 68 years.

## 21. Business combination

On 13 September 2024, Tanzania Portland Cement Public Limited Company (TPCPLC) acquired a 95% stake in Mamba Cement Company Limited ("MCCL") from Sura Holdings Limited for a net cash consideration of TZS 42.02 billion. The acquisition was undertaken to achieve vertical integration by securing strategic access to MCCL's limestone reserves, which are critical for clinker production — a key raw material in cement manufacturing. This strategic move supports TPCPLC's long-term raw material security, reduces dependence on third-party suppliers, and enables cost efficiency across the value chain.

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations. The transaction resulted in the recognition of goodwill amounting to TZS 2.5 billion, calculated as the excess of the purchase consideration and the fair value of the non-controlling interest over the net identifiable assets acquired.

The goodwill recognised comprises primarily:

- the anticipated operational synergies from integrating the mining operations into the Group's supply chain,
- access to long-term limestone reserves with mining rights,
- the assembled workforce and operational licenses, and
- the strategic geographical proximity of the MCCL site to TPCPLC's Wazo Hill operations.

Goodwill is not deductible for tax purposes under Tanzanian tax legislation.

As of 31 December 2024, MCCL had not commenced any operating activities following the acquisition. Accordingly, no revenue or profit/(loss) from MCCL is included in the Group's consolidated statement of profit or loss for the year ended 31 December 2024.

The goodwill generated on acquisition is as shown below:

|                                                                                             | <b>Group<br/>2024</b> |
|---------------------------------------------------------------------------------------------|-----------------------|
| <b>Consideration transferred</b>                                                            | <b>TZS'000</b>        |
| Net consideration                                                                           | <b>42,020,000</b>     |
| <b>Assets acquired, and liabilities assumed at the date of acquisition</b>                  |                       |
| <i>The assets and liabilities recognised as a result of the acquisition are as follows:</i> |                       |
| Cash and bank balances                                                                      | 2,759                 |
| Trade and other receivable                                                                  | 334,586               |
| Inventories                                                                                 | 1,199,462             |
| Land and mineral reserves                                                                   | 40,829,722            |
| Accounts payables                                                                           | (766,311)             |
| Accruals and provisions                                                                     | (600)                 |
|                                                                                             | <b>41,599,618</b>     |
| <b>Goodwill arising on acquisition</b>                                                      |                       |
| Cash consideration                                                                          | 39,697,503            |
| Transfer from property plant and equipment                                                  | 2,322,497             |
| Add: Non-controlling interest ("NCI")                                                       | 2,079,980             |
| Less: Fair value of identifiable assets acquired                                            | (41,599,618)          |
|                                                                                             | <b>2,500,362</b>      |
| <b>Purchase consideration – cash outflow</b>                                                |                       |
| <b>Cash outflow, net of cash acquired</b>                                                   |                       |
| Cash consideration                                                                          | 39,697,503            |
| Less: balances acquired Cash                                                                | (2,759)               |
| <b>Net outflow of cash – investing activities</b>                                           | <b>39,694,744</b>     |
| <b>Impairment</b>                                                                           |                       |
| The movement in the impairment of goodwill was as follows:                                  |                       |
| At 1 January                                                                                | -                     |
| Impairment charge for the year                                                              | -                     |
| At 31 December                                                                              | -                     |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Goodwill – Impairment Testing

Goodwill is tested annually for impairment, or more frequently if indicators of impairment are identified. The Group performed its annual impairment assessment of goodwill as at 31 December 2024 and concluded that no impairment charge was required.

In assessing the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated, management elected to determine the recoverable amount using fair value less costs of disposal (FVLCD). This valuation basis was deemed appropriate because the land and mineral reserve asset is fundamental to the CGU's ability to generate future economic benefits.

The Group also considers market-based indicators such as the relationship between its market capitalisation and the book value of equity when reviewing for impairment. As at 31 December 2024, the Group's market capitalisation amounted to TZS 647.7 billion (2023: TZS 766.5 billion), based on a share price of TZS 3,600 (2023: TZS 4,260) and 179,923,100 shares in issue. Given that the market capitalisation exceeded the Group's book value of equity at year-end, no impairment of goodwill was indicated.

### Key Inputs and Assumptions Used in the Fair Value Calculation

The fair value less costs of disposal of the CGU was determined using the Multi-Period Excess Earnings Method (MPEEM), a form of the income approach that captures the present value of expected future economic benefits attributable to the mineral reserve asset.

### Key inputs and assumptions used in the valuation include:

Estimated limestone reserves: 58.6 million metric tonnes, based on an independent geological report by Morgan Worldwide Consultants, Inc.

1. Revenue per tonne: USD 8, based on prevailing market prices for limestone.
2. Extraction and overburden removal cost per tonne: USD 4, based on existing supplier agreements and cost history.
3. Royalties: 3% of extraction expenses, in accordance with Section 87 of the Mining Act, 2010 (as amended), which governs the applicable royalty rates in Tanzania.
4. Inflation rate of 2%: The inflation rate of 2% reflects management's long-term expectations for price increases, supported by historical CPI trends and projections published by the Bank of Tanzania and international financial institutions.
5. Discount rate: 17.7%: the rate is based on the Cost of Equity determined using the Capital Asset Pricing Model (CAPM). The components of the discount rate are detailed as follows:
  - a. Risk-Free Rate (Rf): 4.1% - Based on long-term U.S. Treasury yields and consensus economic forecasts, representing the return on a risk-free investment;
  - b. Equity Risk Premium (ERP): 6.0% - Reflects the additional return expected by investors for taking on equity market risk, consistent with KPMG market research for emerging markets;
  - c. Beta: 0.96 - Based on a market-comparable analysis of listed companies in the cement and mining sector, indicating the relative volatility of the CGU's cash flows compared to the market.
  - d. Alpha (Specific Risk Premium): 3.0% - An additional risk premium to capture business-specific risks, including the operational and regulatory risks associated with mineral extraction and market uncertainties during the early stages of project execution.
  - e. Country Risk Premium: 4.8% - Reflects the risk associated with operating in Tanzania, including economic, political, and regulatory risks, as per KPMG's market data.

### Sensitivity to Changes in Assumptions

The fair value estimate is most sensitive to the following key assumptions:

1. Gross margin levels
2. Discount rate applied to future cash flows
3. Price inflation across the projection period
4. Growth rates applied beyond the forecast horizon

Any adverse changes in these assumptions, individually or in combination, could lead to a materially different valuation result. However, based on the current assumptions and market outlook, management does not expect reasonably possible changes in key assumptions to cause the recoverable amount of the CGU to fall below its carrying amount.

## 22. Right Of Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Figures in TZS '000           | Land           | Equipment's    | Total            |
|-------------------------------|----------------|----------------|------------------|
| <b>Group</b>                  |                |                |                  |
| As at 01 January 2024         | 172,665        | 831,601        | 1,004,266        |
| Additions                     | -              | -              | -                |
| Depreciation expense          | (3,320)        | (831,601)      | (834,921)        |
| Write off                     | -              | -              | -                |
| <b>As at 31 December 2024</b> | <b>169,345</b> | <b>-</b>       | <b>169,345</b>   |
| As at 01 January 2023         | 175,985        | 4,158,006      | 4,333,991        |
| Additions                     | -              | -              | -                |
| Depreciation expense          | (3,320)        | (3,326,405)    | (3,329,725)      |
| Write off                     | -              | -              | -                |
| <b>As at 31 December 2023</b> | <b>172,665</b> | <b>831,601</b> | <b>1,004,266</b> |
| <b>Company</b>                |                |                |                  |
| As at 01 January 2024         | 172,665        | 831,601        | 1,004,266        |
| Additions                     | -              | -              | -                |
| Depreciation expense          | (3,320)        | (831,601)      | (834,921)        |
| Write off                     | -              | -              | -                |
| <b>As at 31 December 2024</b> | <b>169,345</b> | <b>-</b>       | <b>169,345</b>   |
| As at 01 January 2023         | 175,985        | 4,158,006      | 4,333,991        |
| Depreciation expense          | (3,320)        | (3,326,405)    | (3,329,725)      |
| Write off                     | -              | -              | -                |
| <b>As at 31 December 2023</b> | <b>172,665</b> | <b>831,601</b> | <b>1,004,266</b> |

The Company has lease contracts for equipment and land for limestone extraction and factory area for its operations. Leases of land generally have lease terms of 99 years and equipment for 3.25 years. The Company also has certain leases of printers with lease terms of 12 months or less and leases of expatriate's houses with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer to Note 28 for further disclosures on leases.

## 23. Investment in Subsidiary

On 13 September 2024, Tanzania Portland Cement Public Limited Company ("TPC Plc") acquired a 95% stake in Mamba Cement Company Limited ("MCCL") from Sura Holdings Limited for a cash consideration of TZS 42 billion. The acquisition was done with the intention of vertical integration of MCCL's operations with TPC Plc. MCCL extracts limestone which is a key raw material in the production of clinker. For detailed summary about the subsidiary refer to Note 45



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 23. Investment in Subsidiary continues

| Figures in TZS '000                        | 2024 | 2023 | 2024       | 2023 |
|--------------------------------------------|------|------|------------|------|
| <b>Cost</b>                                |      |      |            |      |
| At 1 January                               | -    | -    | -          | -    |
| Additional investment                      | -    | -    | 39,697,503 | -    |
| Transfer from Property Plant and Equipment | -    | -    | 2,322,497  | -    |
| At 31 December                             | -    | -    | 42,020,000 | -    |
| <b>Impairment</b>                          |      |      |            |      |
| At 1 January                               | -    | -    | -          | -    |
| Impairment charge for the year             | -    | -    | -          | -    |
| At 31 December                             | -    | -    | -          | -    |
| Net carrying amount                        | -    | -    | 42,020,000 | -    |

### 24. Inventories

| Figures in TZS '000                                                          | 2024              | 2023              | 2024              | 2023              |
|------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Raw materials and additives                                                  | 33,334,611        | 30,232,752        | 32,138,482        | 30,232,752        |
| Spare parts                                                                  | 56,964,026        | 56,559,475        | 56,964,026        | 56,559,475        |
| Consumables                                                                  | 13,666,676        | 13,378,546        | 13,666,676        | 13,378,546        |
| Work-in-progress                                                             | 657,385           | 3,654,565         | 657,385           | 3,654,565         |
| Finished goods and goods for trade                                           |                   |                   |                   |                   |
| - Twiga extra cement                                                         | 693,887           | 941,270           | 693,887           | 941,270           |
| - Twiga ordinary cement                                                      | 801,507           | 595,487           | 801,507           | 595,487           |
| - Twiga plus cement                                                          | 845,971           | 1,396,628         | 845,971           | 1,396,628         |
| - Twiga mega cement                                                          | -                 | 384,220           | -                 | 384,220           |
| - Coal for resale                                                            | -                 | 4,299,359         | -                 | 4,299,359         |
| "Less: Provision for slow moving stock - spareparts and other materials" (a) | (21,690,531)      | (19,909,081)      | (21,690,531)      | (19,909,081)      |
| Provision for impairment of stock (b)                                        | (74,160)          | (74,160)          | (74,160)          | (74,160)          |
|                                                                              | <b>85,199,372</b> | <b>91,459,061</b> | <b>84,003,243</b> | <b>91,459,061</b> |

#### (a) Provision for slow-moving and obsolete stock

| Figures in TZS '000                                 | 2024              | 2023              | 2024              | 2023              |
|-----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| At 01 January                                       | 19,909,081        | 17,006,145        | 19,909,081        | 17,006,145        |
| Increase in provision                               | 1,781,450         | 2,902,936         | 1,781,450         | 2,902,936         |
| At 31 December                                      | <b>21,690,531</b> | <b>19,909,081</b> | <b>21,690,531</b> | <b>19,909,081</b> |
| the provision for slow-moving stock is composed of; |                   |                   |                   |                   |

| <i>Figures in TZS '000</i> | 2024              | 2023              | 2024              | 2023              |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| Spare parts                | 17,308,227        | 17,308,227        | 17,308,227        | 17,308,227        |
| Consumables                | 4,382,304         | 2,600,854         | 4,382,304         | 2,600,854         |
|                            | <b>21,690,531</b> | <b>19,909,081</b> | <b>21,690,531</b> | <b>19,909,081</b> |

**(b) Provision for impairment of spare parts and consumables**

| <i>Figures in TZS '000</i>                    | 2024          | 2023          | 2024          | 2023          |
|-----------------------------------------------|---------------|---------------|---------------|---------------|
| At 01 January                                 | 74,160        | 74,160        | 74,160        | 74,160        |
| Release of impairment of obsolete consumables | -             | -             | -             | -             |
| At 31 December                                | <b>74,160</b> | <b>74,160</b> | <b>74,160</b> | <b>74,160</b> |

**(c) Value of inventories expensed during the year**

| <i>Figures in TZS '000</i>                           | 2024               | 2023               | 2024               | 2023               |
|------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Value of inventories expensed during the year</b> | <b>137,497,091</b> | <b>180,352,585</b> | <b>137,497,091</b> | <b>180,352,585</b> |

During 2024, none of the Company's inventories balances were pledged as security for liabilities.

## 25. Trade Receivables

| <i>Figures in TZS '000</i>                         | 2024              | 2023              | 2024              | 2023              |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Trade Receivables - Third Parties                  | 63,801,092        | 54,121,145        | 63,801,092        | 54,121,145        |
| Trade Receivables - Intercompany 40(iii)           | 871,581           | 8,168,709         | 7,538,870         | 8,168,709         |
|                                                    | <b>64,672,673</b> | <b>62,289,854</b> | <b>71,339,962</b> | <b>62,289,854</b> |
| Allowance for expected credit losses               | (817,538)         | (630,287)         | (817,538)         | (630,287)         |
| Net Trade Receivables from contract with customers | <b>63,855,135</b> | <b>61,659,567</b> | <b>70,522,424</b> | <b>61,659,567</b> |

Set out below is the movement in the allowance for expected credit loss of trade receivables:

**Expected credit loss**

|                                      |                |                |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
| At 01 January                        | 630,287        | 630,276        | 630,287        | 630,276        |
| Provision for expected credit losses | 222,184        | 12,277         | 222,184        | 12,277         |
| Release of provision during the year | (34,933)       | (12,266)       | (34,933)       | (12,266)       |
| <b>At 31 December</b>                | <b>817,538</b> | <b>630,287</b> | <b>817,538</b> | <b>630,287</b> |

Trade receivables are non-interest bearing and are generally on 30 to 90 days payment terms.

In 2024, TZS 0.817 billion (2023: TZS 0.63 billion) was recognised as a provision for expected credit losses on trade receivables for the Company. Information about the credit exposures is disclosed in Note 44 (c).



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 26. Other Short-Term Operating Receivables

| <i>Figures in TZS '000</i>                        | 2024              | 2023              | 2024              | 2023              |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Prepaid expenses                                  | 1,150,916         | 1,651,149         | 1,150,916         | 1,651,149         |
| Other short-term receivables                      |                   |                   |                   |                   |
| Staff loans and advances                          | 353,699           | 331,403           | 353,699           | 331,403           |
| Advances to suppliers                             | 12,277,481        | 12,907,989        | 12,277,481        | 12,907,989        |
| Other receivables                                 | 13,383,644        | 5,972,160         | 13,049,058        | 5,972,160         |
|                                                   | 26,014,824        | 19,211,552        | 25,680,238        | 19,211,552        |
| <b>Gross receivables</b>                          | <b>27,165,740</b> | <b>20,862,701</b> | <b>26,831,154</b> | <b>20,862,701</b> |
| Allowance for expected credit losses <sup>a</sup> | (1,209,962)       | (1,209,962)       | (1,209,962)       | (1,209,962)       |
|                                                   | <b>25,955,778</b> | <b>19,652,739</b> | <b>25,621,192</b> | <b>19,652,739</b> |

#### Terms and conditions of the above other short term receivables:

Staff advances are amounts raised to staff for small value expenses such as travelling costs that cannot be certainly determined in advance. These are non-interest-bearing and must be retired within 30 days. On aggregate, such balances are not material and their quick retirement period of 30 days since they were advanced reduces any risk of impairment.

Advances to suppliers are non-interest bearing and are generally on a maximum of 90 days terms. The balance at year-end represents down payment to suppliers for upcoming deliveries and port clearing charges. Immediately as such deliveries are made, normally within two months, respective expenses as applicable are actualised. Management has assessed impairment on such balances and concluded that default is remote, and any provision would be immaterial.

Other receivables include tax deposits for pending tax matters under objection

### 27. Other Financial Assets

Other financial assets include the sale of Lugoba aggregates plant.

As at 31 December 2024, the outstanding amounts relate to the Lugoba aggregates plant, the expected conclusion of repayments to be by or before December 2025.

#### Amount receivable as at 31 December

| <i>Figures in TZS '000</i> | 2024           | 2023           | 2024           | 2023           |
|----------------------------|----------------|----------------|----------------|----------------|
| Balance brought forward    | 892,000        | 1,174,000      | 892,000        | 1,174,000      |
| Proceeds received          | (453,000)      | (282,000)      | (453,000)      | (282,000)      |
| As at 31 December          | <b>439,000</b> | <b>892,000</b> | <b>439,000</b> | <b>892,000</b> |
| Current portion            | 420,000        | 540,000        | 420,000        | 540,000        |
| Non current portion        | 19,000         | 352,000        | 19,000         | 352,000        |
|                            | <b>439,000</b> | <b>892,000</b> | <b>439,000</b> | <b>892,000</b> |

## 28. Cash And Cash Equivalents

Figures in TZS '000

|                                 | 2024               | 2023               | 2024               | 2023               |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Cash at bank - local currency   | 12,410,352         | 24,223,349         | 12,409,483         | 24,223,349         |
| Cash at bank - foreign currency | 102,908,142        | 107,128,531        | 102,907,399        | 107,128,531        |
| Cash at hand                    | 15,425             | 17,735             | 14,282             | 17,735             |
|                                 | <b>115,333,919</b> | <b>131,369,615</b> | <b>115,331,164</b> | <b>131,369,615</b> |

The carrying amounts disclosed above reasonably approximate the fair values at the reporting date. The cash and cash equivalents position for the purpose of the statement of cash flow purposes is as follows:

|                                     |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Cash and cash equivalents as above  | 115,333,919        | 131,369,615        | 115,331,164        | 131,369,615        |
| <b>Net cash and cash equivalent</b> | <b>115,333,919</b> | <b>131,369,615</b> | <b>115,331,164</b> | <b>131,369,615</b> |

## 29. Share Capital

Figures in TZS '000

|                                             | 2024      | 2023      | 2024      | 2023      |
|---------------------------------------------|-----------|-----------|-----------|-----------|
| <b>AUTHORISED, ISSUED AND FULLY PAID UP</b> |           |           |           |           |
| 179,923,100 Ordinary Shares of TZS 20 each  | 3,598,462 | 3,598,462 | 3,598,462 | 3,598,462 |

### Shareholding

| Shareholder:                                     | Number of Shares   | Number of Shares   | Number of Shares   | Number of Shares   |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Scancem International DA                         | 124,598,500        | 124,598,500        | 124,598,500        | 124,598,500        |
| General Public                                   | 54,923,107         | 54,923,107         | 54,923,107         | 54,923,107         |
| Wazo Hill Savings and Credit Cooperative Society | 401,493            | 401,493            | 401,493            | 401,493            |
|                                                  | <b>179,923,100</b> | <b>179,923,100</b> | <b>179,923,100</b> | <b>179,923,100</b> |

## 30. Lease Liability

Figures in TZS '000

|                          | 2024           | 2023             | 2024           | 2023             |
|--------------------------|----------------|------------------|----------------|------------------|
| As at 01 January         | 1,149,572      | 4,610,947        | 1,149,572      | 4,610,947        |
| Additions                | -              | -                | -              | -                |
| Accretion of interest    | 60,751         | 537,623          | 60,751         | 537,623          |
| Payments                 | (1,024,557)    | (3,998,998)      | (1,024,557)    | (3,998,998)      |
| <b>As at 31 December</b> | <b>185,766</b> | <b>1,149,572</b> | <b>185,766</b> | <b>1,149,572</b> |
| Current                  | 636            | 963,806          | 636            | 963,806          |
| Non Current              | 185,130        | 185,766          | 185,130        | 185,766          |
|                          | <b>185,766</b> | <b>1,149,572</b> | <b>185,766</b> | <b>1,149,572</b> |

The following are the amounts recognised in profit or loss:

|                                                           |                  |                  |                  |                  |
|-----------------------------------------------------------|------------------|------------------|------------------|------------------|
| Depreciation expense of right-of-use assets               | 834,921          | 3,329,725        | 834,921          | 3,329,725        |
| Interest expense on lease liabilities                     | 60,751           | 537,623          | 60,751           | 537,623          |
| Expense relating to short-term leases of low-value assets | 1,188,037        | 1,027,550        | 1,188,037        | 1,027,550        |
| <b>Total amount recognised in profit or loss</b>          | <b>2,083,709</b> | <b>4,894,898</b> | <b>2,083,709</b> | <b>4,894,898</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 31. Employment Liabilities

The Company contributes to a pension scheme administered by National Social Security Fund. In addition to that, the Company has an endowment scheme administered by the Jubilee Insurance Company of Tanzania Limited. These two schemes are defined contribution plans. The cost of the endowment scheme is fully met by the Company (See also note 6 Significant Accounting Judgements, estimates, and assumptions - Pension Obligations).

| <i>Figures in TZS '000</i>           | 2024             | 2023             | 2024             | 2023             |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Endowment Scheme                     | 862,724          | 814,427          | 862,724          | 814,427          |
| National Social Security Fund (NSSF) | 1,506,724        | 1,448,848        | 1,506,724        | 1,448,848        |
|                                      | <b>2,369,448</b> | <b>2,263,275</b> | <b>2,369,448</b> | <b>2,263,275</b> |

In addition to the three defined contribution schemes above, the company has entered into a voluntary agreement with Tanzania Union of Industrial and Commercial Workers (TUICO) of Tanzania Portland Cement Company to provide end-of-service benefits to employees reaching retirement age. The retired employee is paid based on the length of service. Also, the voluntary agreement provides for long-service awards paid in cement throughout the employment (every five years). The end-of-service benefit scheme is reported as post-employment benefit, while the long-service award is reported as other long-term benefits. The cost of both are fully met by the Company and the plans are administered by the management of the Company.

At the end of 2013 the voluntary agreement was re-negotiated for another two years. Modifications to the defined benefit plans resulted from both statutory (labour law) and negotiated changes. For the end-of-service benefit scheme the past service cost resulting from these modifications and long-service award scheme are now recognised in profit or loss when the plan amendments occur. The renegotiation process establishes changes in the terms of the schemes that may be considered, and if approved by the Company, implemented as agreed.

| <i>Figures in TZS '000</i>                                  | 2024             | 2023             | 2024             | 2023             |
|-------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Present value of unfunded obligations                       | 6,342,034        | 5,948,863        | 6,342,034        | 5,948,863        |
| Net liability recognised in statement of financial position | <b>6,342,034</b> | <b>5,948,863</b> | <b>6,342,034</b> | <b>5,948,863</b> |
| Post-employment benefit                                     | 5,615,909        | 5,640,544        | 5,615,909        | 5,640,544        |
| Other long-term benefits                                    | 726,125          | 308,319          | 726,125          | 308,319          |
|                                                             | <b>6,342,034</b> | <b>5,948,863</b> | <b>6,342,034</b> | <b>5,948,863</b> |

#### The amounts recognised in profit or loss:

|                                                      |                |                |                |                |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
| Current service cost                                 | 344,619        | 336,169        | 344,619        | 336,169        |
| Interest on obligation                               | 566,836        | 513,851        | 566,836        | 513,851        |
| <b>Expense/(income) recognised in profit or loss</b> | <b>911,455</b> | <b>850,020</b> | <b>911,455</b> | <b>850,020</b> |

#### Actuarial losses/(gains) on defined benefit plan recognised in OCI:

|                                           |                |                |                |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| Post-employment benefit                   | (201,377)      | 269,943        | (201,377)      | 269,943        |
| Other long-term benefits                  | 431,657        | 8,717          | 431,657        | 8,717          |
| <b>Expense/(Income) recognised in OCI</b> | <b>230,280</b> | <b>278,660</b> | <b>230,280</b> | <b>278,660</b> |

**31. Employment Liabilities - Continued**

Changes in the present value of the employment benefits are as follows:

| Figures in TZS '000                       | 2024             | 2023             | 2024             | 2023             |
|-------------------------------------------|------------------|------------------|------------------|------------------|
| Opening balance (end-of-service benefits) | 5,640,544        | 5,042,938        | 5,640,544        | 5,042,938        |
| Current service costs                     | 329,648          | 321,412          | 329,648          | 321,412          |
| Interest cost                             | 537,048          | 485,133          | 537,048          | 485,133          |
| Benefits payments                         | (689,954)        | (478,882)        | (689,954)        | (478,882)        |
| Actuarial losses/(gains)                  | (201,377)        | 269,943          | (201,377)        | 269,943          |
| Closing balance (end-of-service benefits) | <b>5,615,909</b> | <b>5,640,544</b> | <b>5,615,909</b> | <b>5,640,544</b> |

**Other long-term benefits**

| Figures in TZS '000                                           | 2024             | 2023             | 2024             | 2023             |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Opening balance (long-service awards)                         | 308,318          | 296,383          | 308,318          | 296,383          |
| Current service costs                                         | 14,971           | 14,757           | 14,971           | 14,757           |
| Interest cost                                                 | 29,788           | 28,718           | 29,788           | 28,718           |
| Benefits payments                                             | (58,609)         | (40,257)         | (58,609)         | (40,257)         |
| Actuarial losses/(gains)                                      | 431,657          | 8,717            | 431,657          | 8,717            |
| - Sub-total: change in provision for other long-term benefits | 417,807          | 11,935           | 417,807          | 11,935           |
| Closing balance (long-service awards)                         | <b>726,125</b>   | <b>308,318</b>   | <b>726,125</b>   | <b>308,318</b>   |
| <b>Total amount of obligation</b>                             | <b>6,342,034</b> | <b>5,948,862</b> | <b>6,342,034</b> | <b>5,948,862</b> |

**Expected benefit payments.**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.4 years (2023: 14.4 years).

**Principal actuarial assumptions at the reporting date:**

|                                | Group |      | Company |      |
|--------------------------------|-------|------|---------|------|
|                                | 2024  | 2023 | 2024    | 2023 |
| Discount rate at 31 December   | 10%   | 10%  | 10%     | 10%  |
| Future annual salary increases | 5%    | 5%   | 5%      | 5%   |
| Cost inflation                 | 4%    | 4%   | 4%      | 4%   |

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of treasury bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Sensitivity analysis

The assumptions with the greatest impact on the results are:

| <i>Figures in TZS '000</i>                | 2024      | 2023      | 2024      | 2023      |
|-------------------------------------------|-----------|-----------|-----------|-----------|
| Discount +0.5%                            | (214,008) | (217,983) | (214,008) | (217,985) |
| Discount -0.5%                            | 228,463   | 233,282   | 228,463   | 233,282   |
| Service plus interest cost discount +0.5% | 79,025    | 550,761   | 79,025    | 50,761    |
| Service plus interest cost discount -0.5% | 100,409   | 72,687    | 100,409   | 72,687    |

The sensitivity figures above are based on changes of reasonable possible changes and assumptions remaining unchanged in a period of one year. Inflation is expected to be stable. The amounts shown under discount represent the value of the obligation after changing the assumption on the statement of financial position while the amounts under interest cost shown the value of expense after changing the assumption.

The sensitivity analysis may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur.

### Membership statistics

| <b>Active members<sup>9</sup></b> | 2024   | 2023   | 2024   | 2023   |
|-----------------------------------|--------|--------|--------|--------|
| Headcount                         | 247    | 246    | 247    | 246    |
| Average age                       | 43     | 43     | 43     | 43     |
| Average future service            | 14     | 14     | 14     | 14     |
| Average annual pensionable salary | 37,882 | 35,551 | 37,882 | 35,551 |

The scheme has no retired or inactive members.

## 32. Other Statutory Payroll Remittances

Other statutory payroll remittances include Pay as You Earn (PAYE), Skills and Development Levy (SDL), and Workers Compensation Fund (WCF). PAYE, SDL, and WCF are payable by the Company to the Tanzania Revenue Authority (TRA) in accordance with the Income Tax Act. The amounts charged to profit or loss in the year in respect of SDL and WCF remittances are

| <i>Figures in TZS '000'</i> | 2024           | 2023           | 2024           | 2023           |
|-----------------------------|----------------|----------------|----------------|----------------|
| Skills and Development Levy | 549,067        | 573,274        | 549,067        | 573,274        |
| Workers' compensation fund  | 56,584         | 53,666         | 56,584         | 53,666         |
|                             | <b>605,651</b> | <b>626,940</b> | <b>605,651</b> | <b>626,940</b> |

The amount deducted from employee's salaries and wages in the year in respect of PAYE is:

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| Pay As You Earn | 6,899,888 | 5,946,513 | 6,899,888 | 5,946,513 |
|-----------------|-----------|-----------|-----------|-----------|

At year-end, the following amounts were outstanding and were payable to TRA. The amounts are included in trade and other payables as at year-end and were subsequently remitted after year-end.

| <i>Figures in TZS '000'</i> | 2024      | 2023    | 2024      | 2023    |
|-----------------------------|-----------|---------|-----------|---------|
| Skills and Development Levy | 95,981    | 78,512  | 95,981    | 78,512  |
| Pay As You Earn             | 1,167,134 | 997,477 | 1,167,134 | 997,477 |
| Workers' compensation fund  | 10,064    | 6,922   | 10,064    | 6,922   |

### 33. Provision For Site Restoration

Provision for quarry site restoration is made annually based on the expected cost to be incurred to rehabilitate quarry sites. The provision is based on the expert costing of the expected costs. Any increase/ (decrease) in the provision is recognised in profit or loss.

| <i>Figures in TZS '000'</i> | 2024             | 2023             | 2024             | 2023             |
|-----------------------------|------------------|------------------|------------------|------------------|
| At 1 January                | 4,573,453        | 4,266,311        | 4,573,453        | 4,266,311        |
| Provision for the year      | 657,779          | 307,142          | 657,779          | 307,142          |
| At 31 December              | <b>5,231,232</b> | <b>4,573,453</b> | <b>5,231,232</b> | <b>4,573,453</b> |

The key assumptions used in determining the provision are:

- The useful life of the site is estimated to be 19 years, and the provision is made based on the discounted expected cost of closure at the end of this period.
- The cost will be incurred in USD.
- The estimated cost is USD 0.2 per ton (2023: 0.2 PER TON) of material mined from the quarry site.
- The applicable discount rate equals 15.75% (2023: 12.10%) which fairly approximates the market rate.
- Tanzania inflation rate used was 3.10% (2023: 4%)

The expected timing of the provision is to be utilised over periods after more than one year from the reporting date.

### 34. Income Tax

#### i. Income tax expense

| <i>Figures in TZS '000'</i>               | 2024              | 2023              | 2024              | 2023              |
|-------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Current income tax charge                 | 28,265,137        | 43,714,041        | 28,265,137        | 43,714,041        |
| Deferred income tax credit - current year | (3,141,270)       | 384,776           | (3,141,270)       | 384,776           |
| Deferred income tax credit - prior period | (564,608)         | 191,940           | (564,608)         | 191,940           |
|                                           | <b>24,559,259</b> | <b>44,290,757</b> | <b>24,559,259</b> | <b>44,290,757</b> |

#### ii. Reconciliation of tax expense to tax based on accounting profit:

| <i>Figures in TZS '000'</i>                    | 2024              | 2023               | 2024              | 2023               |
|------------------------------------------------|-------------------|--------------------|-------------------|--------------------|
| Accounting profit before taxation              | <b>81,232,902</b> | <b>143,473,830</b> | <b>81,232,902</b> | <b>143,473,830</b> |
| Tax applicable rate of 30% (2023: 30%)         | 24,369,871        | 43,042,149         | 24,369,871        | 43,042,149         |
| Tax effect on non taxable/non deductible items |                   |                    |                   |                    |
| Disallowable expenses for tax purposes         | 753,996           | 1,056,668          | 753,996           | 1,056,668          |
| Prior year deferred tax adjustment             | (564,608)         | 191,940            | (564,608)         | 191,940            |
| Income tax expense                             | <b>24,559,259</b> | <b>44,290,757</b>  | <b>24,559,259</b> | <b>44,290,757</b>  |

#### iii. Deferred income tax

| <i>Figures in TZS '000'</i>                      | 2024              | 2023              | 2024              | 2023              |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Accelerated depreciation for tax purposes        | 67,663,568        | 75,395,959        | 67,663,568        | 75,395,959        |
| Provisions for post-employment benefits          | (2,278,370)       | (2,115,479)       | (2,278,370)       | (2,115,479)       |
| Write-down of inventory to net realisable value  | (21,764,691)      | (19,983,242)      | (21,764,691)      | (19,983,242)      |
| Actuarial losses on employee benefits obligation | (4,063,298)       | (3,833,018)       | (4,063,298)       | (3,833,018)       |
| Provision for impairment of receivables          | (2,027,500)       | (1,840,226)       | (2,027,500)       | (1,840,226)       |
| Provision for quarry site restoration            | (5,231,232)       | (4,573,453)       | (5,231,232)       | (4,573,453)       |
| Unrealised exchange loss                         | (214,567)         | (214,567)         | (214,567)         | (214,567)         |
| Unrealised exchange gain                         | 8,533,624         | 8,533,624         | 8,533,624         | 8,533,624         |
| IFRS 16 (lease) fair value adjustment            | (1,283,856)       | (1,412,740)       | (1,283,856)       | (1,412,740)       |
| Other temporary differences                      | (16,717,509)      | (14,757,581)      | (16,717,509)      | (14,757,581)      |
|                                                  | <b>22,616,168</b> | <b>35,199,277</b> | <b>22,616,169</b> | <b>35,199,277</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

| <i>Figures in TZS '000'</i>                                       | 2024               | 2023           | 2024               | 2023           |
|-------------------------------------------------------------------|--------------------|----------------|--------------------|----------------|
| Deferred income tax liability thereon at 30%                      | 6,784,850          | 10,559,783     | 6,784,850          | 10,559,783     |
| Less: Opening deferred tax liability                              | (10,559,783)       | (10,066,665)   | (10,559,783)       | (10,066,665)   |
| Deferred income tax charge/(credit) - current year                | <b>(3,774,933)</b> | <b>493,118</b> | <b>(3,774,933)</b> | <b>493,118</b> |
| Deferred income tax charge/(credit) to profit                     | (3,141,241)        | 384,776        | (3,141,241)        | 384,776        |
| Deferred income tax charge/(credit) - prior period                | (564,608)          | 191,940        | (564,608)          | 191,940        |
| Deferred income tax charge/(credit) to other comprehensive income | (69,084)           | (83,598)       | (69,084)           | (83,598)       |
|                                                                   | <b>(3,774,933)</b> | <b>493,118</b> | <b>(3,774,933)</b> | <b>493,118</b> |

#### iv. Current income tax (recoverable)/payable

| <i>Figures in TZS '000'</i>                     | 2024               | 2023               | 2024               | 2023               |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Tax payable/(receivable) brought forward        | (2,450,612)        | 521,690            | (2,450,612)        | 521,690            |
| Tax charge for the year                         | 28,265,137         | 43,714,041         | 28,265,137         | 43,714,041         |
| Tax payments during the year                    | (30,648,973)       | (46,686,343)       | (30,648,973)       | (46,686,343)       |
| <b>Current income tax (recoverable)/payable</b> | <b>(4,834,448)</b> | <b>(2,450,612)</b> | <b>(4,834,448)</b> | <b>(2,450,612)</b> |

### 35. Trade Payables And Provisions

#### a. Trade And Other Payables

Trade payables are non-interest bearing and are normally settled between 15 to 60 days after the invoice date.

- The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.
- Other payables are non-interest bearing and have an average term of 30 days.
- For terms and conditions relating to related parties, refer to Note 40

| <i>Figures in TZS '000'</i>            |    | Group              |                   | Company            |                   |
|----------------------------------------|----|--------------------|-------------------|--------------------|-------------------|
|                                        |    | 2024               | 2023              | 2024               | 2023              |
| Trade payables - third parties         |    | 111,062,774        | 59,950,746        | 111,062,774        | 59,950,746        |
| Trade payables - intercompany          | 40 | 4,917,636          | 3,593,450         | 4,917,636          | 3,593,450         |
| Accruals                               |    | 6,438,117          | 11,824,710        | 6,425,217          | 11,824,710        |
| Contract liabilities                   | 36 | 4,397,821          | 2,187,150         | 4,397,821          | 2,187,150         |
| Short-term operating payables          |    | 1,568,571          | 905,904           | 1,568,573          | 905,904           |
| Payables for payroll and related costs |    | 4,402,148          | 2,927,818         | 4,401,548          | 2,927,818         |
|                                        |    | <b>132,787,068</b> | <b>81,389,778</b> | <b>132,773,569</b> | <b>81,389,778</b> |

**b. Provisions**

| <i>Figures in TZS '000'</i>  | 2024              | 2023              | 2024              | 2023              |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| At 01 January                | 10,583,245        | 13,049,775        | 10,583,245        | 13,049,775        |
| Net movement during the year | 1,202,624         | (2,466,530)       | 1,202,624         | (2,466,530)       |
| At 31 December               | <b>11,785,869</b> | <b>10,583,245</b> | <b>11,785,869</b> | <b>10,583,245</b> |

The amount above includes provisions for pending tax matters at different stages of appeals

**36. Contract Liabilities**

| <i>Figures in TZS '000'</i>           | 2024             | 2023             | 2024             | 2023             |
|---------------------------------------|------------------|------------------|------------------|------------------|
| At 01 January                         | 2,187,150        | 4,141,365        | 2,187,150        | 4,141,365        |
| Advances for cement Sales             | 4,397,821        | 2,187,150        | 4,397,821        | 2,187,150        |
| Recognised as revenue during the year | (2,187,150)      | (4,141,365)      | (2,187,150)      | (4,141,365)      |
| At 31 December                        | <b>4,397,821</b> | <b>2,187,150</b> | <b>4,397,821</b> | <b>2,187,150</b> |

The performance obligation is satisfied when cement trucks are weighed at Tanzania Portland Cement Plc's weighbridge and a delivery note is generated. Contract liabilities will be realised within an estimate of one month period after the year-end.

**37. Net Financial Debt**

As at 31 December 2024, the Company did not have any bank overdrafts.

| <i>Figures in TZS '000'</i>                           | Group              |                    | Company            |                    |
|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                       | 2024               | 2023               | 2024               | 2023               |
| Cash and cash equivalents (excluding restricted cash) | 115,333,919        | 131,369,615        | 115,331,164        | 131,369,615        |
| Lease liabilities                                     | 28 (185,766)       | (1,149,572)        | (185,766)          | (1,149,572)        |
| <b>Net Cash/(debt)</b>                                | <b>115,148,153</b> | <b>130,220,043</b> | <b>115,145,398</b> | <b>130,220,043</b> |
| Cash and liquid investments                           | 115,333,919        | 131,369,615        | 115,331,164        | 131,369,615        |
| Gross debt - variable interest rates                  | (185,766)          | (1,149,572)        | (185,766)          | (1,149,572)        |
| <b>Net Cash/(debt)</b>                                | <b>115,148,153</b> | <b>130,220,043</b> | <b>115,145,398</b> | <b>130,220,043</b> |

**38. Dividend Proposed And Approved**

Dividend approved during the year:

| <i>Figures in TZS '000'</i>                                      | Group             |                   | Company           |                   |
|------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                  | 2024              | 2023              | 2024              | 2023              |
| Final dividend 2024: TZS 390 per share (2022: TZS 390 per share) | 70,170,009        | 70,170,009        | 70,170,009        | 70,170,009        |
| Total                                                            | <b>70,170,009</b> | <b>70,170,009</b> | <b>70,170,009</b> | <b>70,170,009</b> |

Dividends paid are subject to withholding tax which is payable to Tanzania Revenue Authority.

During the period under review, there was no interim dividend declared.

Subsequent to year-end, the Board proposed a final dividend for 2024 totalling TZS 107.95 billion (2023: TZS 70.17 billion) being TZS 600 per share (2023: TZS 390 per share)



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 39. Dividend Payable

| Figures in TZS '000                           | 2024             | 2023             | 2024             | 2023             |
|-----------------------------------------------|------------------|------------------|------------------|------------------|
| At 01 January                                 | 2,924,749        | 2,905,373        | 2,924,749        | 2,905,373        |
| Dividend approved                             | (70,170,009)     | 70,170,009       | (70,170,009)     | 70,170,009       |
| Dividend paid                                 | 70,099,669       | (70,150,633)     | 70,099,669       | (70,150,633)     |
| At 31 December                                | <b>2,854,409</b> | <b>2,924,749</b> | <b>2,854,409</b> | <b>2,924,749</b> |
| Dividend payable as at year end comprises of: |                  |                  |                  |                  |
| Figures in TZS '000                           | 2024             | 2023             | 2024             | 2023             |
| Other Shareholders                            | 2,854,409        | 2,924,749        | 2,854,409        | 2,924,749        |
|                                               | <b>2,854,409</b> | <b>2,924,749</b> | <b>2,854,409</b> | <b>2,924,749</b> |

### 40. Related Party Transactions And Balances

The Company's ultimate holding Company is HeidelbergCement AG - Germany and immediate holding Company is Scancem International DA - Norway.

During the year, TPCPLC entered into transactions with Heidelberg Materials AG (the Ultimate Holding Company), Trading Limited, and Cimenteries De lukala, Tanga cement Public Limited company Heidelberg Materials Benelux SA sister companies to TPCPLC. TPCPLC imports raw materials, machinery, spare parts, and services from/through the holding and sister companies. As well TPCPLC also sold coal to sister company HC Trading GMBH.

#### (i) Sales to related parties

The Company sells materials and spare parts to related companies. During the year TPCPLC made the following sales to related parties.

|                     |                | Group            |                   | Company          |                   |
|---------------------|----------------|------------------|-------------------|------------------|-------------------|
| Figure in TZS '000' |                | 2024             | 2023              | 2024             | 2023              |
| Related party       | Relationship   |                  |                   |                  |                   |
| HC Trading GMBH     | Sister Company | 6,370,396        | 6,652,824         | 6,370,396        | 6,652,824         |
|                     |                | <b>6,370,396</b> | <b>22,614,771</b> | <b>6,370,396</b> | <b>22,614,771</b> |

#### (ii) Purchases from related parties

The Company purchases raw materials, spare parts, consumables, and services from related party companies as follows:

|                                         |                         | Group             |                   | Company           |                   |
|-----------------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Figure in TZS '000'                     |                         | 2024              | 2023              | 2024              | 2023              |
| Related party                           | Relationship            |                   |                   |                   |                   |
| Heidelberg Cement AG                    | Ultimate parent Company | 7,446,777         | 7,710,031         | 7,446,777         | 7,710,031         |
| HC Trading Asia and Pacific PTE Limited | Sister Company          | -                 | 10,813,498        | -                 | 10,813,498        |
| Heidelberg Materials Benelux SA         | Sister Company          | 498,095           | 1,444,002         | 498,095           | 1,444,002         |
| Heidelberg Cement France                | Sister Company          | 843,675           | 752,588           | 843,675           | 752,588           |
| Cimenterie De Lukaka                    | Sister Company          | 61,292            | -                 | 61,292            | -                 |
| Tanga Cement Public Limited Company     | Sister Company          | 33,952,892        | -                 | 33,952,892        | -                 |
|                                         |                         | <b>42,802,731</b> | <b>20,720,119</b> | <b>42,802,731</b> | <b>20,720,119</b> |

**(iii) Amounts due to/from related parties**

Trade payables outstanding balances to related companies at the end of the year are as follows:

| Figure in TZS '000'            | Group            |                  | Company          |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | 2024             | 2023             | 2024             | 2023             |
| Heidelberg Cement AG           | 3,456,347        | 1,308,150        | 3,456,347        | 1,308,150        |
| Heidelberg Material Benelux SA | 549,596          | 1,377,661        | 549,596          | 1,377,661        |
| Heidelberg Cement France       | 843,675          | 907,639          | 843,675          | 907,639          |
| HC Trading GMBH                | 891              | -                | 891              | -                |
| Cimenterie De Lukaka           | 67,127           | -                | 67,127           | -                |
|                                | <b>4,917,636</b> | <b>3,593,450</b> | <b>4,917,636</b> | <b>3,593,450</b> |

Trade receivables outstanding balances from related companies at the end of the year are as follows:

| Figure in TZS '000'                 | 2024           | 2023             | 2024             | 2023             |
|-------------------------------------|----------------|------------------|------------------|------------------|
| HC Trading GMBH                     | -              | 7,993,434        | -                | 7,993,434        |
| Scancem International               | 12,544         | 172,275          | 12,544           | 172,275          |
| Mamba Cement Company Limited        | -              | -                | 6,667,289        | -                |
| Tanga Cement Public Limited Company | 859,037        | -                | 859,037          | -                |
|                                     | <b>871,581</b> | <b>8,168,709</b> | <b>7,538,870</b> | <b>8,165,709</b> |

**Terms and conditions of transactions with related parties:**

The balances are due on demand. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2023: Nil). This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related parties operate.

**(iv) Key Management Personnel and Directors****a) Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

| Figures in TZS '000'                                   | 2024      | 2023      | 2024      | 2023      |
|--------------------------------------------------------|-----------|-----------|-----------|-----------|
| Short-term employee benefits (Salaries and allowances) | 5,394,805 | 5,116,530 | 5,394,805 | 5,116,530 |
| Post-employment benefits (defined contribution plans)  | 857,488   | 765,580   | 857,488   | 765,580   |

- No long-term terminal benefits were paid to key management personnel during the year,
- As at year-end, there was no outstanding amount with key management personnel,
- The amounts disclosed in the table above are the amounts recognised as an expense during the period related to key management personnel.

**c) Directors' Remuneration**

| Figures in TZS '000'    | 2024          | 2023          |
|-------------------------|---------------|---------------|
| Non-executive Directors | 66,248        | 64,263        |
|                         | <b>66,248</b> | <b>64,263</b> |

A schedule detailing the remuneration of each board of directors will be annexed to these financial statements for presentation at the annual general meeting.

**d) Balances with Directors**

No outstanding balances with the directors during the year (2023: Nil).



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 41. Commitments And Contingencies

#### Capital commitment

No major capital commitment during the year.

#### Guarantees and other financial facilities

The Company had the contractual amounts of bank financial instruments that commit it to extend credit to customers, guarantees and other facilities as follows:

| Figure in TZS '000'                                          | 2024         | 2023         | 2024         | 2023         |
|--------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Guarantees and standby letters of credit received from banks | 58,933,169   | 39,438,998   | 58,933,169   | 39,438,998   |
| Unguaranteed trade receivables                               | (58,933,169) | (39,438,998) | (58,933,169) | (39,438,998) |

#### Legal claims

Contingent liabilities relate to several court cases on land trespassing, alleged unfair termination of employment contracts and breach of business contracts all amounting to TZS 5 billion (2023: TZS 5 billion). The Company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

#### Contingent asset

No contingent asset during the year.

#### Tax assessment

The Company's future tax charge, effective tax rate, and profit before tax could be affected by several factors including tax reform introduced in Tanzania and the resolution of open tax disputes with the TRA. As at 31 December 2024, the Company had unresolved tax assessments (VAT, WHT, and PAYE) and appealed the matter to the Appeal Board. The tax exposure as at 31st December 2024 amount TZS 77 billion, with provision amount TZS 11.7 billion and TZS 65.2 billion being contingency tax amount.

All major tax positions taken are subject to review by executive management and reported to the Board of Directors. The Company has assessments from external advisors supporting the positions taken in respect of significant tax matters which corroborates the application and interpretation of the tax legislation. The Company has considered all matters in dispute with the TRA and has accounted for any exposure identified if required.

### 42. Earnings Per Share

| Figures in TZS                                 | 2024           | 2023           | 2024           | 2023           |
|------------------------------------------------|----------------|----------------|----------------|----------------|
| Profit attributable to ordinary equity holders | 56,673,643,000 | 99,183,746,000 | 56,673,643,000 | 99,183,746,000 |
| Weighted average number of ordinary shares     | 179,923,100    | 179,923,100    | 179,923,100    | 179,923,100    |
| Basic and diluted earnings per share(TZS)      | 315            | 551            | 315            | 551            |

- Basic earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.
- Diluted earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares.
- The basic and diluted earnings per share are the same as there are no convertible instruments or other dilutive shares.

### 43. Segment Reporting

The Group's main product currently is cement. Most of the revenue is therefore derived from the sale of cement (as disclosed in note 7) and the Board of Directors relies primarily on revenue from the sale of cement to assess the performance.

The Group is organised into one single business unit for management purposes. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

The revenue from external parties is measured in a manner consistent with that in the Statement of Profit or Loss and Other Comprehensive Income. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

The Group's operations and tangible non-current assets are located in Tanzania. The Group's cement sales are both in domestic and export markets.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

### 44. Financial Risk Management

The Group's principal financial liabilities comprise of trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, short-term deposits, and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees on policies for managing each of these risks as summarised below.

#### a. Treasury risk management

The Company operates a treasury function to provide competitive funding costs, invest, and monitor financial risk. The Company does not use derivative financial instruments for speculative purposes and for managing financial risk.

#### b. Foreign currency risk

We understand the financial impact of fluctuating exchange rates on our international activities. To mitigate these risks and safeguard our profitability, we implement a multifaceted foreign currency risk management strategy. We focus on natural hedging, aligning foreign currency revenues with expenses whenever possible, negotiating most contracts in local currency. This minimizes the impact of exchange rate movements by creating an internal buffer.

Additionally, a centralized treasury function oversees all foreign currency transactions, ensuring consistent risk management practices. We further actively monitor and analyze foreign currency markets, allowing us to identify and adapt our strategies as needed. This proactive approach ensures we remain competitive and financially secure.

The following table shows the hypothetical impact on the financial result assuming a 10% increase or decrease in the value of the foreign currency (mainly USD and EUR have been considered) against our functional currency, the Tanzanian shillings, whereby the positive values represent income and the negative values an expense in the income statement



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Group

|                                  | 10% Increase in the<br>value of TZS vs. Foreign<br>currency |            | 10% Decrease in the value<br>of TZS vs. Foreign currency |              |
|----------------------------------|-------------------------------------------------------------|------------|----------------------------------------------------------|--------------|
| Figure in TZS '000'              | 2024                                                        | 2023       | 2024                                                     | 2023         |
| Net effect on profit before tax: |                                                             |            |                                                          |              |
| TZS/USD                          | 4,017,074                                                   | 11,561,073 | (4,017,074)                                              | (11,561,073) |
| TZS/EUR                          | (70,692)                                                    | 15,839     | 70,692                                                   | (15,839)     |

### Company

|                                  | 10% Increase in the<br>value of TZS vs. Foreign<br>currency |            | 10% Decrease in the value<br>of TZS vs. Foreign currency |              |
|----------------------------------|-------------------------------------------------------------|------------|----------------------------------------------------------|--------------|
| Figure in TZS '000'              | 2024                                                        | 2023       | 2024                                                     | 2023         |
| Net effect on profit before tax: |                                                             |            |                                                          |              |
| TZS/USD                          | 4,017,074                                                   | 11,561,073 | (4,017,074)                                              | (11,561,073) |
| TZS/EUR                          | (70,692)                                                    | 15,839     | 70,692                                                   | (15,839)     |

The sensitivity analysis has been determined based on the net exposure as at 31 December 2024. The change of 10% is what is used when determining the net foreign currency transaction risk reported internally to key management personnel to assess reasonably possible change in foreign exchange rates.

Below is a summary of the financial assets and liabilities held in different foreign currencies by the company as of December 31, 2024, indicating the overall level of exposure.

### Group

| Figure in TZS '000'          | Exposure in EURO<br>translated to TZS | Exposure in USD<br>Translated to TZS | Total in function<br>currency |
|------------------------------|---------------------------------------|--------------------------------------|-------------------------------|
| <b>At 31 December 2024</b>   |                                       |                                      |                               |
| <b>Financial assets</b>      |                                       |                                      |                               |
| Trade and other receivables  | -                                     | 39,115                               | 39,115                        |
| Cash and cash equivalents    | 171,948                               | 40,965,206                           | 41,137,154                    |
|                              | <b>171,948</b>                        | <b>41,004,321</b>                    | <b>41,176,269</b>             |
| <b>Financial liabilities</b> |                                       |                                      |                               |
| Trade and other payables     | (878,864)                             | (833,576)                            | (1,712,440)                   |
|                              |                                       |                                      |                               |
| <b>Net exposure</b>          | <b>(706,916)</b>                      | <b>40,170,745</b>                    | <b>39,463,829</b>             |

| Figure in TZS '000'          | Exposure in EURO<br>translated to TZS | Exposure in USD<br>Translated to TZS | Total in function<br>currency |
|------------------------------|---------------------------------------|--------------------------------------|-------------------------------|
| <b>At 31 December 2023</b>   |                                       |                                      |                               |
| <b>Financial assets</b>      |                                       |                                      |                               |
| Trade and other receivables  | 18,050                                | 16,502,753                           | 16,520,803                    |
| Cash and cash equivalents    | 968,179                               | 106,336,862                          | 107,305,041                   |
|                              | <b>986,229</b>                        | <b>122,839,615</b>                   | <b>123,825,844</b>            |
| <b>Financial liabilities</b> |                                       |                                      |                               |
| Trade and other payables     | (827,841)                             | (7,228,887)                          | (8,056,728)                   |
|                              |                                       |                                      |                               |
| <b>Net exposure</b>          | <b>158,388</b>                        | <b>115,610,728</b>                   | <b>115,769,116</b>            |

**Company**

| <i>Figure in TZS '000'</i>   | Exposure in EURO<br>translated to TZS | Exposure in USD<br>Translated to TZS | Total in function<br>currency |
|------------------------------|---------------------------------------|--------------------------------------|-------------------------------|
| <b>At 31 December 2024</b>   |                                       |                                      |                               |
| <b>Financial assets</b>      |                                       |                                      |                               |
| Trade and other receivables  | -                                     | 39,115                               | 39,115                        |
| Cash and cash equivalents    | 171,948                               | 40,965,206                           | 41,137,154                    |
|                              | <b>171,948</b>                        | <b>41,004,321</b>                    | <b>41,176,269</b>             |
| <b>Financial liabilities</b> |                                       |                                      |                               |
| Trade and other payables     | (878,864)                             | (833,576)                            | (1,712,440)                   |
| <b>Net exposure</b>          | <b>(706,916)</b>                      | <b>40,170,745</b>                    | <b>39,463,829</b>             |

**Company**

| <i>Figure in TZS '000'</i>   | Exposure in EURO<br>translated to TZS | Exposure in USD<br>Translated to TZS | Total in function<br>currency |
|------------------------------|---------------------------------------|--------------------------------------|-------------------------------|
| <b>At 31 December 2023</b>   |                                       |                                      |                               |
| <b>Financial assets</b>      |                                       |                                      |                               |
| Trade and other receivables  | 18,050                                | 16,502,753                           | 16,520,803                    |
| Cash and cash equivalents    | 968,179                               | 106,336,862                          | 107,305,041                   |
|                              | <b>986,229</b>                        | <b>122,839,615</b>                   | <b>123,825,844</b>            |
| <b>Financial liabilities</b> |                                       |                                      |                               |
| Trade and other payables     | (827,841)                             | (7,228,887)                          | (8,056,728)                   |
| <b>Net exposure</b>          | <b>158,388</b>                        | <b>115,610,728</b>                   | <b>115,769,116</b>            |

Exchange rates applicable were as follows:

|                     | TZS:EURO | TZS:USD |
|---------------------|----------|---------|
| On 1 January 2024   | 3,088    | 2,555   |
| On 31 December 2024 | 2,812    | 2,500   |
| On 1 January 2023   | 2,561    | 2,372   |
| On 31 December 2023 | 3,088    | 2,555   |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 44. Financial Risk Management Continued

#### C. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### Trade Receivables

Customer credit risk is managed by the finance department subject to the Company's established policy, procedures, and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any sales to major customers are generally covered by guarantee letters obtained from reputable banks and other financial institutions. For the majority of customers, including export clients, full upfront payment is demanded.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. Customer type and rating and coverage by bank guarantee). The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Generally, trade receivables are not written off if past due for more than one year and are subject to enforcement activity. The Company does not hold collateral as security. The letters of guarantee are considered an integral part of trade receivables and are considered in the calculation of impairment. At 31 December 2024, 92% (2023: 73%) of the Company's trade receivables are covered by letters of guarantee. For this matter, the Company evaluates the concentration of credit risk for trade receivable as low.

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix

|                                                           | Days past due |            |               |                |            |
|-----------------------------------------------------------|---------------|------------|---------------|----------------|------------|
|                                                           | Current       | 31-90days  | 91 - 180 days | 181 - 360 days | Total      |
| 31 December 2024                                          |               |            |               |                |            |
| Expected credit loss rate                                 | 0.000%        | 0.000%     | -2.35%        | -38.75%        |            |
| Estimated total receivables gross carrying amount         | 38,098,416    | 27,528,778 | 3,834,988     | 1,877,780      | 71,339,962 |
| Estimated third parties receivables gross carrying amount | 38,098,416    | 19,989,908 | 3,834,988     | 1,877,780      | 63,801,092 |
| Estimated Intercompany receivables gross carrying amount  |               | 7,538,870  |               |                | 7,538,870  |
| Expected credit loss                                      | -             | -          | (89,969)      | (727,569)      | (817,538)  |
| 31 December 2023                                          |               |            |               |                |            |
| Expected credit loss rate                                 | 0.000%        | 0.000%     | 2.35%         | 294.31%        |            |
| Estimated total receivables gross carrying amount         | 26,339,916    | 31,927,956 | 2,999,471     | 1,022,511      | 62,289,854 |
| Estimated third parties receivables gross carrying amount | 26,339,916    | 23,759,247 | 2,999,471     | 1,022,511      | 54,121,145 |
| Estimated Intercompany receivables gross carrying amount  |               | 8,168,709  |               |                | 8,168,709  |
| Expected credit loss                                      | -             | -          | (70,368)      | (559,919)      | (630,287)  |

#### 44. Financial Risk Management Continued

##### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company deposits short-term cash surpluses only with banks of high credit standing.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2024 and 2023 is the carrying amounts as illustrated in the table below:

##### Maximum exposure to credit risk

As at year-end, the credit risk arising from trade receivables is mitigated by bank guarantees issued by the bank in respect of customers as presented in Note 41.

| Figures in TZS '000'                                         | Notes | Group            |                   | Company           |                   |
|--------------------------------------------------------------|-------|------------------|-------------------|-------------------|-------------------|
|                                                              |       | 2024             | 2023              | 2024              | 2023              |
| Trade receivables                                            | 25    | 64,672,673       | 62,289,854        | 71,339,962        | 62,289,854        |
| Guarantees and standby letters of credit received from banks |       | 58,933,169       | 39,438,998        | 58,933,169        | 39,438,998        |
| <b>Unguaranteed trade activities</b>                         |       | <b>5,739,504</b> | <b>22,850,856</b> | <b>12,406,793</b> | <b>22,850,856</b> |

##### Other financial assets

As at 31 December 2024, the amounts of the outstanding receivables of TZS 439 million relate to the Lugoba aggregates plant, the expected conclusion of repayments is to be by or before December 2025. The receivable amount is outstanding with one of our major customers with strong creditworthiness in the cement business.

While a repayment agreement is in place, it's important to note that this receivable is not secured by a letter of guarantee. Upon our impairment review, the customer's creditworthiness indicates a strong likelihood of full repayment. Additionally, no material events have impacted collectability. Therefore, no impairment provision has been recognized for this receivable.

##### d. Liquidity risk

The company mitigates its liquidity risk by generating adequate revenue that can effectively address its working capital requirements in the near future.

##### Group

##### At 31 December 2024

##### Financial liabilities

|                                | On demand         | Less than 3 months | 4-12 months      | 1 to 5 years  | More than 5 years | Total              |
|--------------------------------|-------------------|--------------------|------------------|---------------|-------------------|--------------------|
| Trade payables - third parties | 22,212,555        | 88,850,219         | -                | -             | -                 | 111,062,774        |
| Trade payables - intercompany  | 983,527           | 3,934,109          | -                | -             | -                 | 4,917,636          |
| Accruals                       | -                 | 3,998,071          | 2,440,046        | -             | -                 | 6,438,117          |
| Lease Liabilities              | 511               | 1,532              | 4,167            | 30,641        | 322,928           | 359,779            |
|                                | <b>23,196,593</b> | <b>96,783,931</b>  | <b>2,444,213</b> | <b>30,641</b> | <b>322,928</b>    | <b>122,778,306</b> |

##### At 31 December 2023

##### Financial liabilities

|                                |                   |                   |                  |                |                  |                   |
|--------------------------------|-------------------|-------------------|------------------|----------------|------------------|-------------------|
| Trade payables - third parties | 11,990,149        | 47,960,597        | -                | -              | -                | 59,950,746        |
| Trade payables - intercompany  | 718,690           | 2,874,760         | -                | -              | -                | 3,593,450         |
| Accruals                       | -                 | 7,343,145         | 4,481,565        | -              | -                | 11,824,710        |
| Lease Liabilities              | 343,435           | 1,030,305         | 2,747,565        | 161,530        | 1,942,831        | 6,225,666         |
|                                | <b>13,052,274</b> | <b>59,208,807</b> | <b>7,229,130</b> | <b>161,530</b> | <b>1,942,831</b> | <b>81,594,572</b> |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### Company

#### At 31 December 2024

##### Financial liabilities

|                                | On demand         | Less than 3 months | 4-12 months      | 1 to 5 years  | More than 5 years | Total              |
|--------------------------------|-------------------|--------------------|------------------|---------------|-------------------|--------------------|
| Trade payables - third parties | 22,212,555        | 88,850,219         | -                | -             | -                 | 111,062,774        |
| Trade payables - intercompany  | 983,527           | 3,934,109          | -                | -             | -                 | 4,917,636          |
| Accruals                       | -                 | 3,990,060          | 2,435,157        | -             | -                 | 6,425,217          |
| Lease Liabilities              | 511               | 1,532              | 4,167            | 30,641        | 322,928           | 359,779            |
|                                | <b>23,196,593</b> | <b>96,775,920</b>  | <b>2,439,324</b> | <b>30,641</b> | <b>322,928</b>    | <b>122,765,406</b> |

#### At 31 December 2023

##### Financial liabilities

|                                |                   |                   |                  |                |                  |                   |
|--------------------------------|-------------------|-------------------|------------------|----------------|------------------|-------------------|
| Trade payables - third parties | 11,990,149        | 47,960,597        | -                | -              | -                | 59,950,746        |
| Trade payables - intercompany  | 718,690           | 2,874,760         | -                | -              | -                | 3,593,450         |
| Accruals                       | -                 | 7,343,145         | 4,481,565        | -              | -                | 11,824,710        |
| Lease Liabilities              | 343,435           | 1,030,305         | 2,747,565        | 161,530        | 1,942,831        | 6,225,666         |
|                                | <b>13,052,274</b> | <b>59,208,807</b> | <b>7,229,130</b> | <b>161,530</b> | <b>1,942,831</b> | <b>81,594,572</b> |

The Company monitors its risk of shortage of funds using a recurring liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing creditors.

#### e. Fair value measurements

Except for the Company's other financial assets (current and non-current portions), the fair value of the Company's financial assets and liabilities reasonably approximates the carrying amounts as demonstrated below:

- Trade and other receivables and payables, and bank balances: Due to the short-term nature of the financial instruments.
- Interest-bearing loan: The interest rate charged on the loan is in line with market interest rates charged on similar loans and the Company's default risk is remote.

Typically, the fair value of financial instruments that are traded publicly is determined based on market prices quoted at the end of the reporting period.

For the Company's other financial assets (current and non-current portions), IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Company specifies a hierarchy of fair values based on whether the inputs to the underlying valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.
- Level 2 - the fair value is determined using a discounted cash flow model on the basis of input data that does not involve quoted prices classified in level 1, and which is directly or indirectly observable.
- Level 3 - are calculated using measurement models that include factors that cannot be observed on the active market.

The Company had no financial assets or financial liabilities that are measured at fair value on recurring basis as at 31 December 2024, the fair values are not materially different from their carrying amounts.

Below describes the impact of changes in the fair value measurement in comparison to carrying amounts at amortised costs, due to the possible shift of significant observable inputs.

There were no movements in the fair value hierarchy during the year.

## e. Fair value measurements Continued

## Group

| Figures in TZS'000                        | Carrying Amount (by measurement basis) |                    |                    |                    |             |
|-------------------------------------------|----------------------------------------|--------------------|--------------------|--------------------|-------------|
|                                           | Amortised Cost                         | Fair Value Level 1 | Fair Value Level 2 | Fair Value Level 3 | Total       |
| <b>Fair values as of 31 December 2024</b> |                                        |                    |                    |                    |             |
| <b>Current financial assets</b>           |                                        |                    |                    |                    |             |
| Cash and cash equivalents                 | 115,333,919                            | -                  | 115,333,919        | -                  | 115,333,919 |
| Trade receivables                         | 63,855,135                             | -                  | -                  | 63,855,135         | 63,855,135  |
| Other current financial assets            | 420,000                                | -                  | 420,000            | -                  | 420,000     |
| <b>Non-current financial assets</b>       |                                        |                    |                    |                    |             |
| Other non-current financial assets        | 19,000                                 | -                  | 19,000             | -                  | 19,000      |
| <b>Current financial liabilities</b>      |                                        |                    |                    |                    |             |
| Trade payables - third parties            | 111,062,774                            | -                  | -                  | 111,062,774        | 111,062,774 |
| Trade payables - intercompany             | 4,917,636                              | -                  | -                  | 4,917,636          | 4,917,636   |
| Accruals                                  | 6,438,117                              | -                  | -                  | 6,438,117          | 6,438,117   |
| <b>Non-current financial liabilities</b>  |                                        |                    |                    |                    |             |
| Non current liabilities at amortised cost | 17,617,298                             | -                  | -                  | 17,617,298         | 17,617,298  |
| <b>Fair values as of 31 December 2023</b> |                                        |                    |                    |                    |             |
| <b>Current financial assets</b>           |                                        |                    |                    |                    |             |
| Cash and cash equivalents                 | 131,369,615                            | -                  | 131,369,615        | -                  | 131,369,615 |
| Trade receivables                         | 61,659,567                             | -                  | -                  | 61,659,567         | 61,659,567  |
| Other current financial assets            | 540,000                                | -                  | 540,000            | -                  | 540,000     |
| <b>Non-current financial assets</b>       |                                        |                    |                    |                    |             |
| Other non-current financial assets        | 352,000                                | -                  | 352,000            | -                  | 352,000     |
| <b>Current financial liabilities</b>      |                                        |                    |                    |                    |             |
| Trade payables - third parties            | 59,950,746                             | -                  | -                  | 59,950,746         | 59,950,746  |
| Trade payables - intercompany             | 3,593,450                              | -                  | -                  | 3,593,450          | 3,593,450   |
| Accruals                                  | 11,824,710                             | -                  | -                  | 11,824,710         | 11,824,710  |
| <b>Non-current financial liabilities</b>  |                                        |                    |                    |                    |             |
| Non-current liabilities at amortised cost | 17,617,298                             | -                  | -                  | 17,617,298         | 17,617,298  |



## Notes to the Financial Statements for the Year Ended 31 December 2024

### e. Fair value measurements *Continued*

#### Company

| Figures in TZS'000                        | Carrying Amount (by measurement basis) |                    |                    |                    |             |
|-------------------------------------------|----------------------------------------|--------------------|--------------------|--------------------|-------------|
|                                           | Amortised Cost                         | Fair Value Level 1 | Fair Value Level 2 | Fair Value Level 3 | Total       |
| <b>Fair values as of 31 December 2024</b> |                                        |                    |                    |                    |             |
| <b>Current financial assets</b>           |                                        |                    |                    |                    |             |
| Cash and cash equivalents                 | 115,331,164                            | -                  | 115,331,164        | -                  | 115,331,164 |
| Trade receivables                         | 70,522,424                             | -                  | -                  | 70,522,424         | 70,522,424  |
| Other current financial assets            | 420,000                                | -                  | 420,000            | -                  | 420,000     |
| <b>Non-current financial assets</b>       |                                        |                    |                    |                    |             |
| Other non-current financial assets        | 19,000                                 | -                  | 19,000             | -                  | 19,000      |
| <b>Current financial liabilities</b>      |                                        |                    |                    |                    |             |
| Trade payables - third parties            | 111,062,774                            | -                  | -                  | 111,062,774        | 111,062,774 |
| Trade payables - intercompany             | 4,917,636                              | -                  | -                  | 4,917,636          | 4,917,636   |
| Accruals                                  | 6,425,217                              | -                  | -                  | 6,425,217          | 6,425,217   |
| <b>Non-current financial liabilities</b>  |                                        |                    |                    |                    |             |
| Non current liabilities at amortised cost | -                                      | -                  | -                  | -                  | -           |
| <b>Fair values as of 31 December 2023</b> |                                        |                    |                    |                    |             |
| <b>Current financial assets</b>           |                                        |                    |                    |                    |             |
| Cash and cash equivalents                 | 131,369,615                            | -                  | 131,369,615        | -                  | 131,369,615 |
| Trade receivables                         | 61,659,567                             | -                  | -                  | 61,659,567         | 61,659,567  |
| Other current financial assets            | 540,000                                | -                  | 540,000            | -                  | 540,000     |
| <b>Non-current financial assets</b>       |                                        |                    |                    |                    |             |
| Other non-current financial assets        | 352,000                                | -                  | 352,000            | -                  | 352,000     |
| <b>Current financial liabilities</b>      |                                        |                    |                    |                    |             |
| Trade payables - third parties            | 59,950,746                             | -                  | -                  | 59,950,746         | 59,950,746  |
| Trade payables - intercompany             | 3,593,450                              | -                  | -                  | 3,593,450          | 3,593,450   |
| Accruals                                  | 11,824,710                             | -                  | -                  | 11,824,710         | 11,824,710  |
| <b>Non-current financial liabilities</b>  |                                        |                    |                    |                    |             |
| Non-current liabilities at amortised cost | 17,617,298                             | -                  | -                  | 17,617,298         | 17,617,298  |

#### 44. Financial Risk Management Continued

##### f. Capital management

The primary objective of the Company's capital management is to maximise shareholder value. To achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 35%. The Company includes within net debt, interest-bearing loans and borrowings, less cash, and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2024 and 31 December 2023 and there are no externally imposed capital requirements.

#### 45. Non-Controlling Interests (Nci)

Non-controlling interest balance relates to the value of the interest held by the non-controlling shareholders in Mamba Cement Company Limited ("MCCL"). TPC Plc owns 95% shares in MCCL.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

|                                                               | MCCL<br>2004<br>TZS'000 |
|---------------------------------------------------------------|-------------------------|
| <b>Summarised statement of financial position</b>             |                         |
| Non current assets                                            | 44,035,609              |
| Non current liabilities                                       | -                       |
| <b>Non current net assets</b>                                 | <b>44,035,609</b>       |
| Current assets                                                | 1,249,678               |
| Current liabilities                                           | (6,680,789)             |
| <b>Current net liabilities</b>                                | <b>(5,431,111)</b>      |
| <b>Net assets</b>                                             | <b>38,604,498</b>       |
| Fair value adjustment resulting from acquisition transactions | 2,995,110               |
| Acquisition net assets                                        | 41,599,608              |
| <b>Non-controlling interest (5%)</b>                          | <b>2,079,980</b>        |

##### Transactions with non-controlling interests.

There were no transactions with non-controlling interests during the year.

No dividends were paid to non-controlling interests during the year



## Notes to the Financial Statements for the Year Ended 31 December 2024

### 46. Land And Mineral Reserves

Land and mineral reserves asset consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition.

|                                 | Group      |      | Company |      |
|---------------------------------|------------|------|---------|------|
|                                 | 2024       | 2023 | 2024    | 2023 |
| <i>Figures in TZS '000'</i>     |            |      |         |      |
| At 01 January                   | -          | -    | -       | -    |
| Additions- acquisition          | 40,829,723 | -    | -       | -    |
| Less: Amortisation for the year | -          | -    | -       | -    |
| At 31 December                  | 40,829,723 | -    | -       | -    |

### 47. Climate -Related Matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The items and considerations that are most directly impacted by climate-related matters are:

- *Useful life of property, plant and equipment*

When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- *Impairment of non-financial assets.*

The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, the Group considered expectations for increased costs of emissions, increased demand for goods sold by the Group and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.

- *Fair value measurement.*

For Land and mineral reserves, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for diversification into low-carbon minerals.

- *Quarry site restoration liability.*

The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of restoration of one of the Group's manufacturing facilities.

### 48. Events After The Reporting Date

There were no other events after the reporting date which required adjustment to or disclosure in the financial statements.

### 49. Approval Of Financial Statements

The financial statements were authorised for issue by the Board of Directors on the date shown on the statement of financial position on page 105. They are subject to approval by the shareholders during the Annual General Meeting.

## COMPANY INFORMATION

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

#### Tanzania Portland Cement Public Limited Company

Tegeta, Wazo Hill  
P.O. Box 1950  
Dar es Salaam, Tanzania

### GROUP COMPANY NAME

#### Heidelberg Materials AG

Berliner Straße 6  
69120 Heidelberg P.O. Box 268  
Germany

### COMPANY SECRETARY

#### Mr Brian Kangetta

Ngara Area, Parklands  
P.O. Box 76491 - 00508  
Nairobi, Kenya

### BANKERS

#### Citibank (T) Limited

Plot 1962, Toure Drive, Oysterbay  
P.O. Box 71625  
Dar es Salaam, Tanzania

#### CRDB Bank PLC

PPF Tower  
P.O. Box 268  
Dar es Salaam, Tanzania

#### Ecobank Tanzania

84, Acacia Building, Kinondoni Road,  
P.O. Box 20500  
Dar es Salaam, Tanzania

#### NMB Bank PLC

Tegeta Branch-Kibo Commercial Complex,  
P.O. Box 9213,  
Dar es Salaam, Tanzania

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Public Limited Company