



30TH ANNUAL GENERAL MEETING



**MLIMANI CITY CONFERENCE HALL
AND VIA ROOM VIDEO CONFERENCING**

22ND AUGUST 2025

NOTICE

30TH ANNUAL GENERAL MEETING

IS HEREBY GIVEN THAT the 30th Meeting of the Shareholders of TOL Gases PLC will be held on a hybrid of physical attendance at the Mlimani City Conference Hall and via ZOOM Video Conferencing on 22nd August 2025 at 9.00 a.m. to transact the following business: -

1. Adoption of the Agenda.
2. Confirmation of Minutes of 29th Annual General Meeting held on 29th August 2024.
3. Matters arising from minutes of the 29th Annual General Meeting.
4. Statement of the Board Chairperson and receipt of Directors' Report, Auditors' Report, and the Audited Financial Statements for the year ended December 31st, 2024.
5. Declaration of dividend for 2024
6. Proposal for Rights Issue
7. To approve Directors' Remuneration.
8. To appoint External Auditors for the financial year 2025.
9. Election of Directors.
10. To set the place, date, and venue of the next meeting.
11. Any other business (Duly notified at least seven days before the meeting)

Registration for participating in the ZOOM Video Conferencing should be done through phone No. 0685750201/0685750203.

A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy (whether a member of the Company or not) to attend and vote in his/her stead.

All proxy forms or letters appointing a proxy must be lodged at the office of the Company Secretary at least 48 hours before the time fixed for the holding of the meeting or via email to mdoreen@tol-gases.co.tz

BY ORDER OF THE BOARD



DOREEN FRED MACHANGE

COMPANY SECRETARY

TOL GASES PLC
29TH ANNUAL GENERAL MEETING
Minutes of the 29th Annual General Meeting held on 29th August 2024 on a hybrid of physical attendance at the Mlimani City Conference Hall, Dar es Salaam, and via Zoom video conferencing.

Shareholders Present:

1. Aftab Jivanjee (Goodison Fourty Seven Limited)
2. Alphonse Marco
3. Baraka Urasa
4. Cirille Sekamaganga
5. David Rommel
6. Deogratias Dawson Kweka
7. Elipina Mlaki
8. Faustine Lihawala
9. Habiba O. Mahuna
10. Harold Temu
11. Hatibu Faraji
12. Humphrey R. Laban
13. Lenge Lugiku
14. Mussa Salehe Chengula
15. Mwatango R. Chaurembo
16. Nacha Mlaki
17. Omari A. Mahuna
18. Peter Maungo (Treasury Registrar)
19. Princeley Mafunga
20. Rajabu Kiweku
21. Saidani R. Mbiro (Optima)
22. Salehe Juma Mtakata
23. Yona Lazaro Kiula

Directors present:

- | | |
|-----------------------------|-----------------------|
| 1. Mr. Harry M. Kitilya | - Chairperson |
| 2. Adv. Cornelius K. Kariwa | - Company Secretary. |
| 3. Mr. Justin E. Massawe | - Director |
| 4. Prof. Abraham K. Temu | - Director (Via Zoom) |
| 5. Mr. Leonard C. Kitoka | - Director |
| 6. Mr. Some J. Selestine | - Director |
| 7. Ms. Tunu A. Kinabo | - Director |

Apologies

- | | | | |
|---|-------------------------|---|----------|
| 1 | Eng. Joseph C. Machange | - | Director |
|---|-------------------------|---|----------|

By invitation:

- | | | | |
|----|---------------------|---|------|
| 1. | Mr. Adolf Boyo | - | KPMG |
| 2. | Mr. Bakari Amiri | - | KPMG |
| 3. | Mr. Gideon Kapange | - | CSDR |
| 4. | Mr. James Kakoti | - | CMSA |
| 5. | Ms. Jesca Jenge | - | CMSA |
| 6. | Ms. Mariam Mtunguja | - | CMSA |

In attendance:

- | | | | |
|----|-------------------------|---|---|
| 1. | Mr. Daniel M. Warungu | - | Managing Director |
| 2. | Mr. Evarist M. Tilafu | - | Director of Finance |
| 3. | Eng. Daudi A. Mlwale | - | Director of Sales, Marketing & Business Development |
| 4. | Eng. McJohn K. Mbiri | - | Technical Director |
| 5. | Ms. Juliana E. Mrikaria | - | Director of Human Resources & Administration |
| 6. | Mr. Robert W. Tenga | - | Finance Manager |
| 7. | Mrs. Aisha Lubuva | - | Fleet Manager |
| 8. | Adv. Doreen F. Machange | - | Senior Legal Officer |

1.0 NOTICE AND QUORUM:

NOTICE having been duly served on all the Shareholders on 8th August 2024 and there being the requisite quorum, the meeting was called to order at 09.00 am.

2.0 PROXIES

1 proxy from Shareholder Mr. Anorld B.S Kilewo with total shares of 3,286,297 was tabled.

3.0 AGENDA:

- (i) Adoption of the Agenda.
- (ii) Confirmation of Minutes of the 28th Annual General Meeting held on 25th August 2023.
- (iii) Matters Arising from Minutes of the 28th Annual General Meeting.
- (iv) Statement of the Board Chairperson.
- (v) To receive the Directors' Report, Auditors Report, and Audited Financial Statements for the year ended December 31st, 2023.

- (vi) Dividend Payout
- (vii) To Approve Directors' Fees.
- (viii) To Appoint Auditors for the year 2024.
- (ix) Election of Directors
- (x) To set the place, date, and venue of the next meeting.
- (xi) Any other Business (duly notified at least seven days before the meeting).

4.0 ADOPTION OF THE AGENDA:

Agenda for the 29th Annual General Meeting was **TABLED** and **ADOPTED** as presented.

5.0 CONFIRMATION OF MINUTES OF THE 28TH ANNUAL GENERAL MEETING HELD ON 25TH AUGUST, 2023:

TABLED and **NOTED** minutes of the 28th AGM held on 25th August 2023, and the minutes were **CONFIRMED** to be a correct record of the said meeting, and the Chairperson and the Company Secretary signed the same.

6.0 MATTERS ARISING FROM MINUTES OF THE 28TH ANNUAL GENERAL MEETING.

TABLED and **NOTED** a paper on Matters Arising from minutes of the 28th Annual General Meeting held on 25th August 2023.

6.1 APPROVAL OF DIVIDEND PAYMENT

REPORTED, the dividend payout of 50.00 per share approved by the AGM for the year ending 31st December 2022 was paid to the respective shareholders. TZS 2,603,057,285 has been paid out to Shareholders as of 30th June 2024, while 128,475,957.50 remains unclaimed for the year 2022. The total unclaimed dividend for financial years 2018, 2019, 2020, 2021, and 2022 is TZS 378,475,957.5.

CSDR and the Company will continue to seek Shareholders who have yet to receive their 2018, 2019, 2020, 2021, and 2022 dividends so that payment can be made accordingly.

6.2 UPDATE ON IKAMA 2 INVESTMENT

6.1.2 REPORTED, the Ikama II Carbon Dioxide (CO₂) Plant was commissioned in early December 2023. The delay was caused by challenges in the supply chain, which delayed the arrival of critical plant equipment, unstable power supply, and heavy rains in 2023, which affected plant installation.

7.0 CHAIRPERSON'S STATEMENT:

TABLED and **NOTED** the Chairperson's Statement for the year 2023 (*previously circulated*).

- 7.1 **REPORTED**, in December 2023, the Company was able to commission the Ikama II Carbon Dioxide (CO₂) Plant, installed to double our production capacity and meet the supply gap in the local and regional market for CO₂.
- 7.2 **REPORTED**, the Ikama II Carbon Dioxide (CO₂) Plant was originally scheduled to start operating by September 2022. The delay in commissioning was caused by supply chain challenges that led to delays in the arrival of critical plant equipment, unstable power supply, and heavy rains in the year 2023 that affected plant installation.
- 7.3 **REPORTED**, further that the delay in commissioning of IKAMA II Carbon Dioxide (CO₂) Plant has adversely impacted revenue, working capital, liquidity, and profitability of the Company for the financial year 2023.
- 7.4 **REPORTED**, the planned sales from the IKAMA II Carbon Dioxide (CO₂) Plant, which was expected to offset the loan associated with the plant, were not realized.
- 7.5 **REPORTED**, delays in payment of TZS 4.9 Bn from one major Client.
- 7.6 **REPORTED**, that the breakdown of the IKAMA I Carbon Dioxide (CO₂) Plant for the entire month of November 2023 denied the Company an approximated sale of TZS. 1.5 Bn, which further exacerbated the liquidity challenges as noted in the financial statements.
- 7.7 **REPORTED**, further in the financial year 2023, the Company faced capacity gaps of supporting infrastructure, including a lack of enough trucks and cylinders for timely product distribution to customers who need a reliable supply to drive their operations.
- 7.8 **REPORTED**, further that in 2023, revenues have declined by 3.2%, from TZS 25.5Bn in 2022, to TZS 24.7Bn in 2023, and profit before tax declined by 38% from TZS 6.2Bn in 2022 to TZS 3.8Bn in 2023. Profit after tax declined by 22%, from TZS 3.48Bn in 2022 to TZS 2.71Bn in 2023.
- 7.9 **REPORTED**, further that Earnings before interest, taxes, and depreciation (EBITDA) for the year 2023 was TZS 7.8Bn, 20% lower than 2022's TZS9.9Bn. The EBITDA margin for the 2023 financial year was 32% (lower than the 39% registered in 2022). Earnings per share for the year is TZS 47.13, lower by 22% compared to TZS 60.52 in 2022.

7.10 REPORTED, the Company began paying dividends in the year 2018 and has continued to pay dividends for the last five consecutive years, thereby distributing a total of TZS. 9.1 Bn.

7.11 REPORTED, further that from 2019 to 2023 the company has made significant investments, including: (i) Spruce 7 Plant for ASU products replacing the loss-making ASPEN 1000 Plant at a cost of TZS. 7Bn (ii) Ikama II CO2 Plant: Adding a 2-ton/hr plant at a cost of TZS11Bn, increasing our total CO2 production capacity by 71% from 2.8 tons/hr to 4.8 tons/hr (iii) New Scania Trucks and Tankers: Acquiring ten brand new vehicles to enhance our distribution capabilities at a cost of TZS 2.4Bn (iv) 6 CO2 road tankers, 6 brand new trucks and a 1MW genset have been procured in the year 2024 at a cost of TZS 4.4Bn to compliment Ikama II CO2 plant to ensure that production is not affected by the erratic supply of grid power and that products from this plant get to the market efficiently.

7.12 REPORTED, further that in the space of five years, the Company has spent TZS 24.8 Bn in major investments, out of which TZS 16.3 Bn from borrowing, resulting in an annual finance cost of TZS 1. Bn and TZS 8.5Bn of internally generated revenues.

7.13 REPORTED, that the current funding requirement has necessitated for recapitalization of the Company to realign its financing structure; as such, the Board of Directors does not recommend Dividend payment for the profits of financial year 2023. This decision will allow the Company to plough back its profit to support the ongoing investments and create long- term value for the Company and its Shareholders.

7.14 REPORTED further that the Company is compelled to thoroughly re-examine the Company's strategies to effectively compete in the market, grow the business, and return to the shareholders as such, the Company is preparing a 5-year corporate strategy for 2025-2029, which will yield substantial returns for the Company.

7.15 RESOLVED that the Statement of the Board Chairperson for the year 2023 be and is hereby received and adopted.

8.0 TO RECEIVE THE DIRECTORS' REPORT, AUDITORS' REPORT, AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023:

TABLED and **NOTED** the Directors' Report, Auditors' Report, and Audited Financial Statements for the year ended December 31, 2023. **(previously circulated).**

- 8.1 RESOLVED** that the Directors' Report, Auditors' Report, and Audited Financial Statements for the year ended December 31, 2023, be and are hereby received and adopted.

9.0 APPROVAL OF DIVIDEND PAYMENT:

TABLED and NOTED a paper on approval of dividend payment (**Previously circulated**)

- 9.1 RESOLVED** that the current funding requirements of the Company have necessitated for recapitalization of the Company to realign its financing structure. The Directors do not, therefore, recommend Dividend payment for the 2023 financial year. This decision allows the Company to plough back its profit, support ongoing investments, and create long-term value for the Company and its Shareholders.

10.0 APPROVAL OF DIRECTORS' FEES:

TABLED and NOTED a paper on the Approval of Directors' Fees. (**previously circulated**).

- 10.0 RECOMMENDED** that the Director's fees remain the same, i.e. TZS 10,000,000/= net of taxes for each Director and TZS 12,000,000/= net of taxes for the Chairperson as was approved by the Shareholders in the 28TH AGM.

11.0 APPOINTMENT OF AUDITORS FOR THE YEAR 2024:

TABLED and NOTED a paper on the appointment of external auditors (**previously circulated**).

- 11.1 REPORTED** that four audit firms were called for quotation to provide audit services for the year 2024. The quotations received were from KPMG, Ernst and Young (EY) and PWC
- 11.2 RESOLVED** that KPMG be and are hereby appointed the Auditors of TOL Gases PLC 2024 financial statements at a fee of TZS. 65,000,000/=

12.0 ELECTION OF DIRECTORS:

TABLED and NOTED the content of a paper on the election of Directors - filling vacant positions (**previously circulated**).

- 12.1 REPORTED** that Section 92 of the MEMART provides that the General meeting may, by ordinary resolution, remove or appoint any director.
- 12.2 REPORTED** that 86 of the MEMARTS require that every 3 years, one- third of the Directors (2 in number) for the time being shall retire from office

12.3 REPORTED, that Mr. Justine Massawe (representing Major Shareholder) and Mr. Joseph Machange (Director representing Minority Shareholders) are due to retire by rotation.

12.4 REPORTED as required by section 89 of the MEMARTS, an advertisement for nomination from Shareholders for a candidate to be considered for election was issued in the Nipashe and the Guardian newspapers on 23rd August 2024.

12.5 REPORTED that out of the 18 applications received, the following candidates have been shortlisted for shareholders' consideration;

12.5.1 Ms Irene Madeje Mlola - Resume is attached.

12.5.2 Mr. Jameson Kasati - Resume is attached.

12.5.3 Mr. Nelson Gichohi Fratern Mboya - Resume is attached.

12.6 RESOLVED, an election was conducted through voting by shares, and Ms. IRENE MADEJE MLOLA was elected as a Board Director representing minority Shareholders.

12.7 RESOLVED: Justin Ernest Massawe is hereby re-appointed as a director to the Board of Directors of TOL Gases Plc representing interests of a substantial shareholder on the board.

12.8 RESOLVED: Joseph Machange is hereby terminated as a director of the board of directors of TOL Gases Plc effective from the date of this meeting

13.0 DATE AND VENUE OF 30TH ANNUAL GENERAL MEETING:

TABLED and NOTED a paper on the date and venue of the 30th Annual General Meeting (**previously circulated**).

13.1 RESOLVED that the 30th Annual General Meeting of shareholders of TOL Gases Plc be scheduled on Friday, 22nd August 2025, at Mlimani City Conferencing Hall, commencing at 9.00 a.m.

14.0 AOB:

14.1 RECOMMENDED, that it is a good corporate practice for the company to reach out to Shareholders from time to time more often and share any relevant information about the Company.

14.2 RECOMMENDED, further that the Board should look at the possibility of addressing gender balance in the Board by encouraging more women members.

15.0 CLOSURE OF MEETING

There being no other business to transact, the Chairperson **CLOSED** the meeting at **11:28 a.m.** with a vote of thanks.

PREPARED BY:

APPROVED BY

Adv. Doreen F. Machange
COMPANY SECRETARY

Mr. Leonard C. Kitoka
CHAIRPERSON

Date _____

TOL GASES PLC
30TH ANNUAL GENERAL MEETING
MATTERS ARISING FROM MINUTES OF 29TH ANNUAL GENERAL
MEETING HELD ON 29TH AUGUST 2024

1.0 APPROVAL OF DIVIDEND PAYMENT

UPDATE:

The total unclaimed dividend for the financial years 2018, 2019, 2020, 2021, and 2022 stands at **TZS 362,820,025 which has reduced from 378,475,957** previous financial year.

CSDR and the Company will continue to seek Shareholders who have not claimed their 2018, 2019, 2020, 2021, and 2022 dividend so that payment can be made accordingly.



Mr. Leonard C. Kitoka
CHAIRPERSON

STATEMENT OF THE BOARD CHAIRPERSON

30TH ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2024

Dear Shareholders,

It is my honour to present this statement as we convene for the 30th Annual General Meeting covering our performance for the financial year 2024. On behalf of the Board, I want to express our deep appreciation for your continued trust to your Board, especially as we move into a defining moment in TOL's journey.

1. 2024 Financial Performance

In the 2024 financial year, our Company successfully consolidated operations of its two CO₂ plants at Ikama and fully deployed the newly acquired transport fleet.

These investments restored market confidence, especially among regional bottlers, and enabled TOL to operate at full distribution capacity, highlighting the urgent need for additional production investment.

I am also pleased to inform you that during the year, building on its strong regional reputation, TOL Gases PLC was awarded a new 13 tons/day Air Separation Unit (ASU) through a grant from Unitaid, administered via the Clinton Health Access Initiative (CHAI). This new addition will bring our ASU capacity to more than double. The new plant is scheduled for commissioning in late 2026.

During the year, revenues grew by 22% to TZS 30.2 billion (2023: TZS 24.7 billion). Profit before tax rose modestly to TZS 3.98 billion (2023: TZS 3.8 billion), this was also contributed by the 50% non-cash charge write-off of the Aspen 1000 plant's book value of TZS 1.3 billion. Profit after tax declined by 24% to TZS 2.06 billion (2023: TZS 2.71 billion), largely due to additional tax assessment by TRA.

EBITDA for the year reached TZS 10.5 billion, a 35% increase from TZS 7.8 billion in 2023. The EBITDA margin improved to 35%, up from 32% the previous year.

This performance underscores TOL's operational strength, its capacity for growth, and the critical need for new capital to expand infrastructure and maintain momentum. The year 2024 performance has made clear the limits of our current scale. Opportunities were missed due to limited production constraints. Export orders were turned down. Regional demand went unmet. This operational ceiling not market weakness, is the key reason we must now invest decisively in expansion.

2. From Stability to Growth: The End of the Turnaround Era

Over the past several years, TOL has executed a disciplined and deliberate turnaround strategy:

- We returned to consistent profitability.

	FY2024	FY2023	FY2022	FY2021	FY2020
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Profit Before Tax	3,984,188	3,777,810	6,196,570	4,478,111	3,837,939

- We restored customer confidence across East and Southern Africa. For example; one of the major customer has entrusted us to be their main supplier while others have signed the 2nd 2 years to 5 years contract.
- We built operational resilience and acquired key ISO certifications.

TOL today is no longer a company in recovery mode, it is a company with a proven track record, expanding regional influence, and a clear growth opportunity.

However, we now face a critical challenge: Financing needs.

3. Capital: The Final Missing Piece

TOL, having transitioned from a turnaround phase to a consistently profitable and ISO- certified industrial gas company with a strong regional footprint, now seeks to shift from incremental to transformational growth. The company proposes a strategic capital injection of TZS 18 billion to fund the Kyejo II CO2 plant, addressing a significant supply gap and positioning TOL as a dominant regional player. This move aligns with increasing market demand across Tanzania and the SADC region

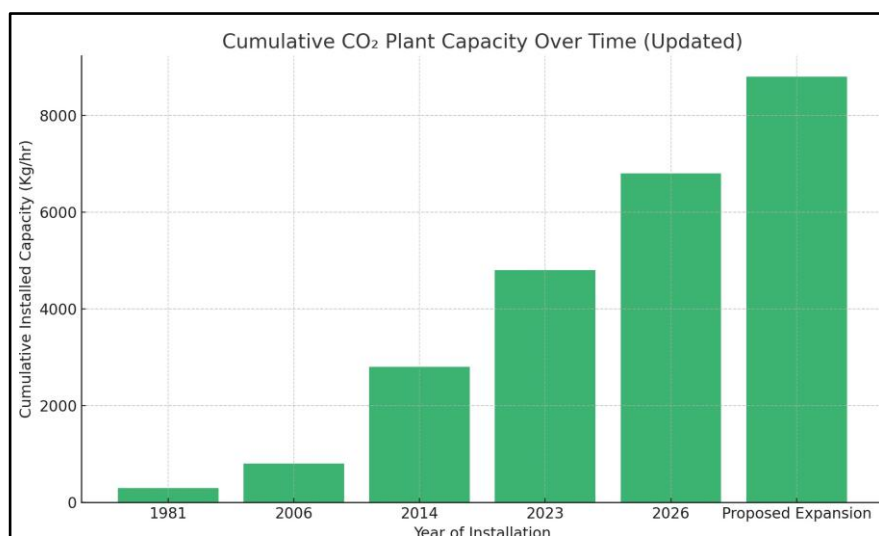
Dear members of TOL Gases, Shareholders, the opportunity in front of us is enormous. Demand for CO2 is growing rapidly in East Africa and the wider SADC region, driven by booming beverage consumption, regional exports, and industrial usage. The market demand consistently exceeds our current production capacity particularly during peak season.

There are various options for funding expansion. We can continue borrowing carefully, and responsibly. However, debt restricts dividends, limits speed and quantum and will therefore not deliver the shareholder returns that many of you seek, at least not as soon. Our current operations can service loans, but at the cost of transformational growth.

Dear members, well-capitalized competitors especially from Kenya, South Africa, and potentially even within Tanzania are advancing. Customers increasingly depend on imports, and without decisive action, we risk missing a generational opportunity to lead the region.

4. The Case for Bold Investment: Kyejo II and Beyond

The table below shows how we have been adding our CO₂ production capacity since we started and future additions.



We are asking you for your support in our most important growth initiative yet: Kyejo II, a 2 ton/hour CO₂ plant aimed at closing the persistent supply gap and capture fast- growing regional demand.

5. Financing Pathways and Shareholder Participation

We have evaluated multiple funding options such as:

- Option 1: Follow-On Public Offer (FPO)
- Option 2: Rights Issue (Recommended Starting Point)
- Option 3: Option 3 Corporate Bond (8-Year)
- Option 4: 6-Year Term Loan
- Option 5: Private Equity Preference Shares

We propose a hybrid approach: a rights issue supplemented by term loan and the use of retained earnings to raise TZS 18.07Bn.

6. Recommendation for Approval

We seek your approval for:

1. Capital Raise Authorization:
 - Approve rights issue and
 - To approve the increase of authorized share capital from 60M to 200M.
2. Reinvestment of all profits Until FY 2027:
 - Reinvest profits to finance growth.
 - Resume dividends payable for the financial year 2028, with forecasted pay-out totaling TZS 5.75 billion (~TZS 80/share), and 2029 with forecasted pay-out totaling TZS 11.5 billion (~TZS 160/share) going forward.
 - Total assets are forecasted to grow from TZS 59.5 billion in 2024 to TZS 120.8 billion by 2029.

7. Closing Message: The Future Is Ours to Shape

Dear members,

On behalf of the Board, I wish to sincerely thank all our shareholders for your continued support and engagement, and special thanks to Management and staff of TOL Gases PLC. Your trust and patience have been central to the progress we have made to date.

As we look ahead, the decisions we make now will shape the future of TOL Gases for years to come. We do not take this responsibility lightly, and we remain committed to managing your Company with transparency, discipline, and focus on long-term value.

Thank you once again for your time and for standing with us. Signed,

CPA LEONARD CHACHA KITOKA

CHAIRPERSON, BOARD TOL GASES PLC

30TH ANNUAL GENERAL MEETING

**DIRECTORS REPORT
AND FINANCE STATEMENTS
FOR THE YEAR ENDING**

31TH DECEMBER 2024

TOL GASES PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

TOL GASES PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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TOL GASES PLC

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024

PRINCIPAL PLACE OF BUSINESS

Plot No.4, Nyerere Road
P. O. Box 911
Dar es Salaam

BANKERS

NBC Bank Limited
Industrial Branch
Nyerere Road
P.O.Box 40301
Dar es Salaam
Tanzania

CRDB Bank Plc
Vijana Branch
P.O. Box 10876
Dar es Salaam
Tanzania

Equity Bank Tanzania Limited
P.O. Box 110183
Dar es Salaam
Tanzania

Diamond Trust Bank Tanzania Limited
Mlimani City Branch
P.O. Box 115
Dar es Salaam Tanzania

ABSA Bank Tanzania Limited
P.O Box 5137
Dar es Salaam
Tanzania

COMPANY AUDITOR

KPMG
The Luminary
Plot No.574, Haile Selassie Road
Msasani Peninsula Area
P.O. Box 1160
Dar es Salaam
TIN 101-269-027 VAT REG No. 10-007190R
NBAA Reg. No. PF 020

COMPANY LAWYERS

Kariwa & Co Advocates
Kiungani Street No.77
Off Lumumba Street
Mkunazini Bldg 1st Floor
P. O. Box 13138
Dar es Salaam
Tanzania

Purity Attorneys & Associates
3rd Floor Maktaba complex
Bibi Titi/ Maktaba Streets
P.O. Box 79569
Dar es Salaam
Tanzania

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

1. INTRODUCTION

The Directors present their annual report and the audited financial statements for the financial year ended 31 December 2024 which disclose the state of affairs of TOL Gases Plc as at that date. The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors as indicated on the statement of financial position.

2. INCORPORATION

TOL Gases Plc is incorporated in Tanzania under the Companies Act, 2002 as a public Company limited by shares.

3. COMPANY'S VISION

To be the preferred supplier of industrial gases in East and Southern Africa.

4. COMPANY'S MISSION

To be the leading, safest and reliable supplier of high-quality gases, complementing accessories and services in Eastern, Central and Southern Africa.

5. PRINCIPAL ACTIVITY

The principal activity of the Company is production and distribution of industrial gases, medical gases, and related accessories.

6. COMPOSITION OF THE BOARD OF DIRECTORS

The Directors who served the Company since 1 January 2024 and up to the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Gender</u>	<u>Age (years)</u>	<u>Company's interest</u>	<u>Appointment/ (Retirement)</u>	<u>Profession</u>
CPA Leonard C. Kitoka	Chairman	Male	55	200 shares	27 August 2021	Accountant
Mr. Harry Kitilya *	Former Chairman	Male	75	-	(19 January 2025)	Finance
Ms. Tunu Kinabo	Director	Female	47	-	25 August 2023	Strategist
Ms. Irene Madeje Mlola	Director	Female	50	-	29 August 2024	Strategist
Mr. Justin Massawe	Director	Male	44	400,100 shares	28 April 2014	Banker
CPA Selestine Some	Director	Male	49	-	1 April 2019	Accountant
Prof Abraham Temu	Director	Male	66	17,818 shares	24 August 2018	Engineer
Eng Joseph Machange	Director	Male	74	1,029,584 shares	(29 August 2024)	Engineer

All members of the board were non-executive and of Tanzanian nationality. The Company secretary during the year ended 31 December 2024 was Cornelius Kariwa.

There were five board meetings held during the year under review.

*This director resigned from the board subsequent to the year end.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

7. BOARD COMMITTEES

AUDIT, RISK AND GOVERNANCE COMMITTEE

<u>Name</u>	<u>Position</u>	<u>Gender</u>	<u>Age</u>	<u>Nationality</u>
Prof Abraham Temu	Chairman	Male	66	Tanzanian
CPA Selestine Some	Member	Male	49	Tanzanian
Ms. Irene Madeje Mlola*	Member	Female	50	Tanzanian

There were four audit, risk and governance committee meetings held during the year under review.

*This director resigned from corporate resource and was appointed to join audit, risk and governance committee.

CORPORATE RESOURCES COMMITTEE

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Nationality</u>
Mr. Justin Massawe*	Chairman	44	Tanzanian
Ms. Tunu Kinabo	Member	47	Tanzanian
CPA Selestine Some	Member	49	Tanzanian

There were six corporate resources committee meetings held during the year under review.

*This director resigned from audit, risk and governance and was appointed to join corporate resources committee.

8. DIRECTORS' REMUNERATION

The directors are each entitled to the director's fees paid annually as follows:

	<u>TZS</u>
Chairman of the Board	14,117,647
Other directors	11,764,706

The directors are each also entitled to sitting allowance for every meeting of the Board or its committees as follows:

	<u>TZS</u>
Chairman of the Board	800,000
Other directors	600,000

The director's transactions with the Company are detailed in Note 28.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

9. SHAREHOLDING

The total number of shares issued at the end of the year 2024 was 57,505,963 (2023: 57,505,963).

Shareholder	Number of shares	%
Ernest Saronga Massawe	11,759,702	20.4
M/S Erncon Holding Limited	9,993,293	17.4
Goodison Fourthy Seven Limited	7,868,436	13.7
Treasury Registrar	3,570,457	6.2
Anorld B.S. Kilewo	3,264,144	5.7
Baraka Mark Urassa and Ophishas Obadia Urasa	2,618,030	4.6
Harold Temu	2,507,740	4.4
Christian Charles Shirima	1,680,405	2.9
Public Service Social Security Fund	1,083,333	1.9
Joseph C. N. Machange	1,029,584	1.8
Mary Wanjiku Mboya	865,884	1.5
Gasper Jason Uriyo	760,855	1.3
Others	10,504,100	18.2
TOTAL	57,505,963	100.00

10. CAPITAL STRUCTURE

The Company's capital structure for the year under review is shown below:

Authorised Share Capital

60 million ordinary shares of TZS 100 (Tanzanian Shilling one hundred each).

Called up and fully paid share capital.

57,505,963 ordinary shares of TZS 100 each (2023: 57,505,963 ordinary shares).

11. CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

TOL Gases Plc demonstrates a strong commitment to the principles of effective corporate governance. The Board governs itself through a robust Code of Ethics and believes that the company currently complies with best practices in good governance. To further enhance this, the Board has established two specialized committees:

1. Audit, Risk, and Governance Committee:

- Audit: Ensures that the company's financial activities undergo appropriate review.
- Risk Management: Evaluates the company's exposure to various risks and implements strategies to mitigate those risks.
- Governance: Oversees the company's adherence to corporate governance principles, promoting transparency, accountability, and ethical practices.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. CORPORATE GOVERNANCE (CONTINUED)

Code of Corporate Practice and Conduct (continued)

2. Corporate Resources Committee:

- Finance: Focuses on maintaining the company's financial health and implementing strategic financial planning.
- Planning: Oversees the development of long-term strategies and ensures efficient allocation of resources.
- Investments: Manages decisions related to the company's investment portfolio and identifies new opportunities for growth.
- Human Resources: Ensures that the company has the right talent and organizational culture to support its goals

The Board of Directors

The Board of TOL Gases Plc consists of seven Directors. None of the Directors hold executive positions in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters and reviewing the performance of management against budgets and business plans. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative for compliance with sound corporate governance principles.

The Board is chaired by a Director who has no executive functions. The Board is confident that its members have the knowledge, talent and experience to lead the Company. The Non-Executive Directors are independent of management and exercise their independent judgment. With their depth of experience, they add value to Board deliberations.

The Board is required to meet at least four times a year and oversee management of the business. Although the Chief Executive Officer of the Company is designated as Managing Director, he is not a member of the Board of Directors. He reports to the Board and enjoys all executive powers. He is assisted by senior management in the day-to-day operations of the Company. The Managing Director and other Senior Managers are invited to attend Board meetings and meetings of the committees of the Board which facilitate the effective control of all the Company's operational activities, acting as a medium of communication and coordination between the various business units. Senior management meets on a regular basis to review the results, operations, key financial indicators and the business strategy of the Company. Board meetings are held quarterly to deliberate the results of the Company.

Performance evaluation and reward

Details of the remuneration paid to key management are disclosed in Note 28 to the financial statements. The Company benchmarks its reward system with prevailing going rate in the labour market to ensure that it is able to recruit and retain the best available talent. A bonus scheme is in place to ensure collective and individual contribution towards the success of the Company is recognised and rewarded.

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding the effectiveness and efficiency of operations in:

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. CORPORATE GOVERNANCE (CONTINUED)

Performance evaluation and reward (continued)

- The safeguarding of the Company's assets (including information).
- Compliance with the applicable laws, regulations, and supervisory requirements.
- The reliability of the accounting records.
- Business sustainability under normal as well as adverse conditions; and,
- Responsible behaviour towards all stakeholders.

The Board assessed the internal control systems throughout the financial year ended 31 December 2024 and is of the opinion that they met acceptable criteria.

Ethical behaviour

Compliance with the Code of Conduct is the ultimate responsibility of the Managing Director with day-to-day monitoring delegated to line management with the support of personnel officers. All staff are expected to maintain the highest level of integrity and honesty in dealing with customers, suppliers, service providers and colleagues.

The Company's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its directors, managers, employees, customers, suppliers, competitors, investors, shareholders, and the public. The Directors and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to fair commercial competitive practices.

Financial reporting and auditing

The Directors accept final responsibility for the preparation of the annual financial statements which give true and fair view of:

- The financial position of the Company as at the end of the year under review.
- The financial results of operations; and
- The cash flows for that year.

The responsibility for compiling the annual financial statements is vested in the management and the financial audit was carried out independently by an external auditor and the Company complied with the Companies Act, 2002 and other laws of Tanzania.

The external auditor of the Company report on whether the annual financial statements give true and fair view. The Directors are satisfied that during the year under review:

- adequate accounting records were maintained.
- an effective system of internal control and risk management, monitored by management, was maintained.
- appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- the financial statements were compiled with in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. CORPORATE GOVERNANCE (CONTINUED)

Financial reporting and auditing (continued)

The Directors are also satisfied that no material event has occurred between the financial year-end and the date of this report which affects the business or has not been reported.

The Directors are of the opinion that the Company has sufficient resources and commitments at its disposal to operate the business in the foreseeable future. The financial statements have been prepared on a going concern basis.

12. MANAGEMENT

The Management of the Company is led by the Managing Director and is organized in the following functions:

- Finance
- Technical and Production
- Sales, Marketing and Business Development
- Human Resources and Administration

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

Name	Position
Mr. Daniel Warungu	Managing Director
Mr. John Mbiri	Director of Technical and Production
Mrs. Juliana Mrikaria	Director of Human Resource and Administration
Mr. Evarist Tilafu	Finance Director
Eng. Daudi Mwale	Director of Sales, Marketing and Business Development

13. OPERATING ENVIRONMENT

Macro and micro economic overview

The industrial gas sector in Tanzania is poised for growth, driven by steady GDP growth, despite a post-pandemic decline leading to supply chain shocks that has marginally limited growth potential. As the manufacturing sector continues to grow, seen in the increase in exports of manufactured goods from Tanzania, there has been increased demand for carbon dioxide, oxygen, liquid nitrogen, and other specialized gases. The macro-economic variables in Tanzania remained relatively stable during the year under review.

Competitive position

The Company continued to build on the company's customer-centric focus and aggressively strengthen sales and business development in neighbouring countries like Zambia, Zimbabwe, and the DRC. This will improve its local and regional market position aiming to meet the growing market demand on time and in full.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14. RESOURCES REQUIREMENTS

The Company creates value to stakeholders through a combination of different resources such as financial, human, manufactured, social and relationship, natural and other resources. The Company applies a combination of all the resources without disregarding the other to maximize value in the longer term.

Financial resources

Financial resources are deployed to finance the operations of the Company for both working capital expenditure requirements. It includes shareholder equity, retained earnings and external borrowings among others. The shareholder and debt funding give us a strong financial capital base that supports our operations and business growth.

During the year under review, our total equity increased from TZS 25.3 billion to TZS 27.3 billion while the total borrowings has increased to TZS 19.6 billion (2023: TZS 15.9 billion)

Human resources

Success is delivered through a purpose-driven, Execution and Delivery Culture. Our people are at the centre of our success. TOL Gases Plc will focus on employee development and leadership training to build a long sustainable competitive advantage. This would involve identifying the talents existing with TOL Gases Plc and provide them with the skills and leadership qualities that would enable them to excel in their performance. Focus to this would be performance driven rewards and compensation plan that would make staff and managers part of the delivery of the business plan.

Social and Relationship resources

Key stakeholders are continuously engaged in striving create value to our shareholders and meet their expectations. The views of our stakeholders are taken with great attention as they play a significant role in shaping our response to business and societal issues. Be it with our customers, suppliers, government regulatory agencies and the surrounding communities, a holistic approach is taken to sustainable value creation by nurturing our long-standing relationships and building new ones.

Natural resources

The natural resources like carbon dioxide is mined in Mbeya. The right technical know-how is required and the government support to TOL Gases Plc in its efforts to raise the required financing and operate its mining licences without major disruptions from the local community in Mbeya.

Other resource

To produce its products, the Company requires modern and reliable plants. It currently operates advanced facilities for both carbon dioxide and ASU (Air Separation Unit) products.

15. PRINCIPAL RISKS AND UNCERTAINTIES

The Company is committed to deliver stakeholders' expectations by mitigating risks which affect the Company's operations through a well-established risk management framework. Management believes the following risks may significantly impact the Company:

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Principal Risk	Context	Opportunities and Mitigations
Political & Economic	<ul style="list-style-type: none"> ✓ Tanzania has sustained relatively high growth in economy this year, bolstered by strengthened private consumption and recovered exports as global restrictions has been eased, with GDP growth projected at 6% in 2025. ✓ While there is no doubt about Government's commitment to macroeconomic stability, this may be sliding. ✓ There is no history of high incidences of natural disasters such as earthquakes, flooding etc in the country, which might have a significant impact on our key network elements. ✓ Mining Licenses infringement by the local community and leaders 	<ul style="list-style-type: none"> ✓ Continuously keep in touch with Government to monitor the situation. ✓ TOL Gases Plc will ensure it complies with all licences requirements and regularly report that to the Board of Directors. ✓ Carryout Corporate Social Investment in the Local Community to improve relationship and obtain buy in.
Currency	<ul style="list-style-type: none"> ✓ The Tanzanian shilling is very vulnerable to any renewed dollar strengths. This impact on medium term inflation differentials. ✓ Significant element of TOL Gases Plc revenue is in TZS while suppliers of capital goods and raw materials demand payment in foreign currency. 	<ul style="list-style-type: none"> ✓ Foreign currency accounts are maintained. ✓ Borrow in TZS to cover operations and recapitalization.
Regulatory & Legal	<ul style="list-style-type: none"> ✓ Refers to current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, or ethical standards, as well as from the possibility of incorrect interpretation of effective laws or regulations. 	The Company secretary ensures compliance and mitigation of any risk through regular review and update to management on a regular basis.
Market competition	<ul style="list-style-type: none"> ✓ The industrial gases and medical gases continue to face competition from other players, including some customers like government hospitals constructing their own medical oxygen plants. 	The Company continues to gain regional market share in carbon dioxide market following capacity enhancement and renewal of distribution fleet. The new oxygen plant has maintained the Company's market position as a reliable supplier of preference.

Further discussion on risks and mitigation programs are presented on Note 29 to these financial statements.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. COMPANY'S KEY STRENGTHS

On 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 single resource of the Company is its human capital. Competent and qualified management team who drive the day-to-day activities to achieve the Company's objectives and manages the Company's operations. Committed and skilled employees who are well experienced in cryogenic technology and industry support the management team. The Company employs qualified and competent personnel and invests in their training.

Strong Brand and Quality Products

TOL Gases Plc is a well-known producer of atmospheric gases in the market and synonymous with high quality. The brand and quality of the Company's products give the Company competitive advantage in the market.

Strong Distribution Network

With well-defined, diversified distribution network and the fleet of trucks owned by the Company, our products reach to the customers conveniently. The Company also exports its products to various countries in the Central and Eastern Africa Sub-Region.

17. STAKEHOLDER RELATIONSHIP

The Company maintains good business and cordial relationship through consistent engagement with key stakeholders who are central to the business sustainability, both in terms of understanding the key stakeholder's needs and interests in delivering the Company's objectives and respond on concerns through decisions, actions, and performance as well as on going communication with our stakeholders. Set out below are the key stakeholders with whom the Company engages on a regular basis and the means of engagement.

Stakeholders	Management of stakeholder's relationship
Employees	<p>Good relationship with Employees is always maintained.</p> <p>Employee engagement activities like staff meetings and departmental meetings have continued as a move to ensure that employees are abreast with Company's direction. Development of leadership and skilled work force that is self-motivated and adequately compensated to support the business plan.</p>
Customers	<p>Developing and managing the customers channel and relationship to ensure customers' loyalty and maintain acceptable customers switching rate (Churn rate). Selective marketing program directed to selected market segments that TOL Gases Plc has chosen to obtain organic growth and values. Ensuring product quality, availability, and reliability.</p>

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17. STAKEHOLDER RELATIONSHIP (CONTINUED)

Stakeholders	Management of stakeholder's relationship
Suppliers	Proper management of supply' chain and relationship to ensure we obtain goods and services at the most competitive prices and where practical, maximise credit opportunity. Competitive procurement of goods and services is always exercised, and fairness is of utmost importance while awarding supply contract to selected service providers.
Trade unions	Continuous engagement with the relevant employee unions (TUICO) and industrial labour organizations to ensure that ongoing constructive relationships with these stakeholders are maintained.
Shareholders/ Investors	Keep the dividend pay-out at a level that allows recapitalisation of profits in the business for the future growth of the Company. Annual General Meeting (AGM) is held on a yearly basis. The annual report is presented at the AGM to shareholders.
Regulatory authorities	Regular communication with the Capital Markets and Securities Authority, Dar es Salaam Stock Exchange (DSE), Mining Commission and interaction with Tanzania Revenue Authority in respect of TOL's tax commitments, as appropriate and other agencies.
Government	Regular interactions through Government Treasury Register.
Community	Collaboration with related entities concerning CSR to foster responsible initiatives and disseminate best practices.

18. FUTURE DEVELOPMENT PLANS

The Company has a strategic plan to expand its supplies of Carbon dioxide (CO₂) and Air Separation Units (ASU) by investing in additional capacities. This is a strong approach to capitalizing on the growing demand in key sectors such as the beverage industry, manufacturing, infrastructure, and healthcare. By enhancing production capacity, the company can effectively meet the increasing needs in these high-demand markets, ensuring it remains competitive and well-positioned for long-term success.

The company is also committed to leverage on the East Africa Program on Oxygen Access (EAPOA) as strategic initiative designed by Unitaaid which aims at enhancing both the "access" and "reach" of medical oxygen to ensure more equitable and affordable access to the life-saving resource. Through this initiative TOL will be granted a new 13 tons ASU plant which is set to commence production by 2026. The company plans to incorporate solar energy into both the existing plant and the new ASU plant. This will allow TOL to reduce reliance on grid power, making the production process more sustainable and cost-effective. This reduction in production costs will enable the company to offer more competitive pricing for ASU products, making medical oxygen more affordable for healthcare providers and patients.

TOL has a strategic plan of investing in CNG (Compressed Natural Gas) which will offer opportunities for TOL to diversify its business, capitalize on the increasing demand for cleaner energy sources, and potentially enhance its revenue streams. The Company will also participate in securing opportunities for the supply of gases to the East African Crude Oil Pipeline Project (EACOP). The gases tendered in the EACOP project include oxygen, argon, Argo shield, and dissolved acetylene.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18. FUTURE DEVELOPMENT PLANS (CONTINUED)

Outlook

The new installed production capacity for carbon dioxide and the procurement of CO₂ additional road tankers and trucks and new generator will allow for higher production volumes, meeting increased demand or capturing new market opportunities. This will lead to higher revenues and increased market share. TOL will have depth in production capacity that has been missing hitherto to bolster its reputation as a reliable supplier for the three main industrial gases.

19. REVIEW OF THE BUSINESS

Directors use the key performance indicators both financial and non-financial, in assessing the Company's progress towards its objectives. These indicators are financial budgets, production targets, improved cost management, sustainable environmental performance, marketing innovation, human resources excellence and the corporate social investment programmes. These key performance indicators are commercially sensitive and consequently have not been reproduced here.

Financial results

Sales Revenue: The company saw a 22% increase in sales revenue, rising from TZS 24.7 billion in 2023 to TZS 30.2 billion in 2024. This was largely driven by the commissioning of the Ikama II CO₂ plant towards the end of 2023, which contributed to higher revenues

EBITDA: The company's EBITDA grew by 35%, increasing from TZS 7.8 billion in 2023 to TZS 10.5 billion in 2024. This significant increase reflects the positive impact of the new plant and the economies of scale it brought.

Profit Before Tax (PBT): The company's profit before tax increased by 5%, from TZS 3,778 million in 2023 to TZS 3,984 million in 2024. This jump is consistent with the improvements in revenue and EBITDA, indicating the company has been able to translate higher sales and operating efficiency into better profitability.

The Company's net cash generated from operating activities decreased by 33% from TZS 8.6 billion recorded in 2023 to TZS 5.7 billion in 2024. The net cash flows from operations, and the EBITDA performance, are testament that the Company's operational business fundamentals and outlook continue to be positive. The Company continues to be committed to its sales and operational efficiency as it seeks to continue enhancing value for its stakeholders.

When compared to the approved annual budget, revenue fell short by 12%, primarily due to delayed shipment of additional assets (trucks and generator) purchased for optimization of Ikama II carbon dioxide plant. Consequently, PBT was also 47% below budget, reflecting the impact of the lower revenue earned compared to budgeted amount. In addition, PBT is lower than the budget as the total financial performance for the year was adversely impacted by TZS 1,371 million due to combined effect of depreciation and impairment loss resulting from the reclassification of an asset previously held for sale to Property, plant and equipment following failure of the prospective buyer to make any commitments or confirm his commitment to purchase the asset during the year ended 31st December 2024.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. REVIEW OF THE BUSINESS (CONTINUED)

Financial position

Non-current assets increased by 16%, from TZS 39.3 billion to TZS 45.5 billion. This growth is primarily attributed to the acquisition of additional fleet and a new generator for the Ikama II plant, as well as the reclassification of an asset previously held for sale to non-current assets. The decrease in intangible assets is due to amortization expenses recognized during the year.

Current assets decreased to TZS 14 billion as at 2024, compared to TZS 15.1 billion in the prior year. The decrease is primarily attributed to the reclassification of an asset held for sale amounting to TZS 2.67 billion, to non-current assets. Despite the overall decrease, trade and other receivables increased by TZS 3.1 billion, driven by higher sales during the period. Conversely, inventories declined by TZS 3.3 billion, reflecting the consumption of materials used in the completion of a government project involving the supply, installation, commissioning, and maintenance of Manifold Systems for health facilities across Mainland Tanzania.

Total current liabilities increased by 5% during the year. This increase is primarily attributable to additional borrowings, including a debt note of TZS 2 billion and Scania financing amounting to TZS 1.9 billion.

Cash flows

The Company's major source of cash flow was from operating activities, which was attributable to improved collection efforts of amounts due from debtors. Part of the funds generated from the operating activities in 2024, along with additional borrowings amounting to TZS 3.9 billion, were primarily invested in the acquisition of non-current assets totalling TZS 8.4 billion, compared to TZS 5.4 billion in 2023.

20. DIVIDEND

The Directors do not recommend dividend payment for 2024 (2023: Nil) to shareholders as final dividend. In making this recommendation, the Directors have carefully considered the Company's future investment needs and the importance of retaining earnings to support long-term growth and strategic initiatives.

21. SOLVENCY

As at 31 December 2024, the Company's current liabilities exceeded its current assets by TZS 4,450 million, resulting in a net current liability position. This was primarily driven by additional borrowings undertaken during the year to finance the additional investment so required for optimization of Ikama II carbon dioxide plant. Despite the current liquidity position, the Company remains solvent with total net assets amounting to TZS 27.3 billion. Subsequent to the reporting date, the Company has taken proactive steps to strengthen its liquidity position including, securing a Medical Stores Department (MSD) tender valued at TZS 2.5 billion, expected to be executed by the end of 2025. Progressing with the supply and installation of VIE tanks worth approximately TZS 1.3 billion. Renewing the existing overdraft facility of TZS 3.2 billion to enhance short-term working capital availability.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. SOLVENCY (CONTINUED)

The Company believes that these measures, along with ongoing operational improvements, will support the Company's ability to meet its short-term obligations and continue as a going concern.

The Board of Directors confirms that IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) (IFRS Accounting Standards) have been followed and that the financial statements have been prepared on a going concern basis with a reasonable expectation that TOL Gases Plc has adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements.

22. ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of a going concern. The Company's accounting policies are subject to an annual review to ensure continuing compliance with IFRS Accounting Standards.

23. INVESTMENTS

The Company made investments in property, plant, and equipment to the value of TZS 8.4 billion during the year ended 31 December 2024 (2023: TZS 5.4 billion).

A healthy relationship continues to exist between management and employees. There were no unresolved complaints received by Management from the employees during the year. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion or disability.

Training Facilities

The Company sponsors its employees for both short- and long-term courses within and outside the country in various disciplines depending on the corporate needs and financial resources available.

24. EMPLOYEES' WELFARE

Management and Employees' Relationship

Medical Assistance

The Company has medical insurance cover for all the employees with their families.

Health and Safety

The Company has a strong health and safety awareness which ensures that a culture of hygiene and safety always prevails. All employees and contractors are provided with appropriate personal protective equipment, all of which meets the safety requirements laid down under Occupational Health and Safety Act 2003 and other legislation concerning industrial safety, health and hygiene. The Company also organises regular health check-up for its employees who confirm to the applicable statutes and regulations in Tanzania.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24. EMPLOYEES' WELFARE (CONTINUED)

Persons with Disabilities

It remains the Company's policy to accept disabled persons for employment for those vacancies that they can fill. Opportunities for advancement are provided to each disabled person when a suitable vacancy arises within the organisation and all necessary assistance is given along with initial training. Where an employee becomes disabled during his or her employment, the Company provides suitable alternate employment and necessary training thereof. The Company's policy is not discriminatory against people with regards to race, gender, religion, or disability.

Financial Assistance to Staff

Loans are available to all permanent employees who are members of Savings and Credit Co-Operative Society (SACCOS). The Company supports the staff's SACCOS by managing the recoverability of the loan through payroll deductions.

Retirement Benefits

The Company makes contributions in respect of staff retirement benefits to a defined statutory contribution plan, i.e. National Social Security Fund. The Company's obligations in respect of these contributions are limited to 10% and 15% respectively of the employees' gross salary, while the employees contribute 10% and 5% of their gross salary.

The Company's employment terms are regularly reviewed to ensure they continue to meet statutory compliance and market conditions. The Company communicates with its employees through regular management and staff meetings and through circulars. The Company has continued to maintain a conducive working environment in terms of providing suitable workplace, offices, washrooms and canteen facilities.

25. GENDER PARITY

The Company is an equal opportunity employer, committed to fair and inclusive employment practices. It ensures that all employment decisions are based on merit, qualifications, and business needs, free from discrimination of any kind. Recruitment, promotion, and other employment-related decisions are made without regard to gender, marital status, tribe, religion, or disability, provided such disability does not affect the individual's ability to perform the duties required. As at 31 December 2024, the Company's workforce was comprised as follows:

Gender	2024	2023
Male	88	84
Female	28	30

26. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 28 to these financial statements.

TOL GASES PLC

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

27. POLITICAL DONATIONS

The Company did not make political donations during the year.

28. ENVIRONMENTAL CONTROL PROGRAMME

The Company has an environment policy and takes appropriate pollution control measures to comply with various environment and pollution related statutes in Tanzania.

29. QUALITY

The Company has a formal quality assurance accreditation program, with all operations being monitored closely and the products are tested in the Company Laboratory, Airborne Labs International USA as well as, Tanzania Bureau of Standards (TBS). The Company has been certified with ISO 22000.

30. CORPORATE SOCIAL INVESTMENT

During the year TOL Gases Plc continued to support Tanzanian society through its Corporate Social Investment program. The Company participated in the construction of a hostel at Lupata Primary School which is special for the pupils with disability in Busokelo District Council.


31. STATEMENT OF COMPLIANCE

The Directors confirm that the directors' report has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 *the Report by Those Charged with Governance* and the Company complied with all relevant statutory legislations.

32. AUDITOR

The auditor, KPMG, has expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of KPMG as auditor of the Company for year 2025 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD


CPA Leonard C. Kitoka
Chairman

25th June, 2025
Date



TOL GASES PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view of TOL Gases Plc ("the Company"), comprising the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by the Companies Act, 2002.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern at least for the next twelve months from the date of approval of these financial statements. Refer to note 2 (b) of the financial statements for detailed analysis.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2002.

Approval of financial statements

The financial statements of TOL Gases Plc, as identified in the first paragraph, were approved, and authorised for issue by the Directors on 25th June, 2025.


CPA Leonard C. Kitoka
Chairman


Mr. Justin Massawe
Director

TOL GASES PLC

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2024

The National Board of Accountants and Auditors (NBAA) according to the power conferred 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 with a Statement of 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view position of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors' Responsibilities' statement on an earlier page.

I, **Evarist Tilafu**, being the Head of Finance of TOL Gases Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.



Signed by: **Evarist M. Tilafu**

Position: Head of Finance

NBAA Membership No: ACPA 5795

Date: 25th June, 2025



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOL GASES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TOL Gases Plc ("the Company") as set out on pages 24 to 70, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of 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 as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TOL GASES PLC (CONTINUED)**

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Revenue recognition	
Refer to the revenue accounting policy Note 5(a) revenue and the revenue Note 7	
Key audit matter	How the matter was addressed in our audit
<p>Revenue of the Company comprises of three categories: industrial and medical gases; related accessories; and installation, and services and amounted to TZS 30,201 million during the year ended 31 December 2024.</p> <p>Revenue is recognized once a proof of delivery to customer and other relevant documentation such as weighbridge documents have been submitted and accepted by the Company; the volumes handled during the year are generally large. Some sales transactions are individually material and require significant judgement such as identification of separate performance obligations (POs) in determining whether performance obligations embedded in the sales contracts have been met at the reporting date given multiple performance obligations in one/single contract.</p> <p>A typical sale contract for some transactions has multiple performance obligations listed below that are fulfilled at different times hence significant judgements in determination of the points when the POs is satisfied (control passes to customer) to trigger revenue recognition:</p> <ol style="list-style-type: none"> industrial and medical gases – control passes at a point in time; related accessories – control passes at a point in time; and installation and maintenance services – control passes over a period of time as and when the installation and maintenance services are offered. <p>We have determined revenue recognition to be a key audit matter because of multiple POs in some sale contracts, judgements made by management in allocating the transaction price to the different POs and the large volume of transactions which required a significant audit effort.</p>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> — Obtaining a sample from the revenue sub-ledger and evaluating whether recognized revenue agrees to signed/stamped customer delivery notes and checking that performance obligations were properly identified and evaluated as having been satisfied or met prior to recognising revenue; — Performing cash received to revenue reconciliation by agreeing total cash received during the year against revenue recognised after adjusting for items such value added tax, opening and closing trade receivables and advances from customers; — Evaluating the appropriateness of management's judgment on identification of performance obligations and allocation of contract price to the POs. This included assessing the standalone selling prices and proportionate allocation of the contract price to the POs based on number of manifolds completed; — Assessing the completeness of revenue by inspecting credit notes raised on all revenue categories as well as evaluating sales made near the period end and after period end to assess whether revenue was recognised in the correct accounting period; and — Evaluating the completeness and adequacy of disclosures in the financial statements, especially the revenue recognition policy and judgements made in revenue recognition in accordance with the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i>.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOL GASES PLC (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *TOL Gases Plc Annual Report and Audited Financial Statements for the year ended 31 December 2024* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

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 in the manner required by the Companies Act, 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOL GASES PLC (CONTINUED)

Report on the Audit of the Financial Statements (continued)

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 skepticism 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.
- 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TOL GASES PLC (CONTINUED)**

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions 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

As required by the Companies Act, 2002 we report to you, solely based on our audit of the financial statements that:

- in our opinion, proper accounting records have been kept by the Company;
- the individual accounts are in agreement with the accounting records of the Company;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- directors' report is consistent with the financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Company is disclosed.

**KPMG
Certified Public Accountants (T)**

**Signed by Engagement Partner: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam**

Date: 27 June 2025

TOL GASES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 TZS '000	2023 TZS '000
Revenue	7	30,200,703	24,727,476
Cost of sales	8	(19,048,821)	(14,389,404)
Gross profit		11,151,882	10,338,072
Other income	9	138,131	38,305
Operating expenses	10	(4,963,741)	(5,369,552)
Trade receivables impairment loss	17	(29,130)	-
Operating profit		6,297,142	5,006,825
Finance income	11(a)	-	262,688
Finance costs	11(b)	(2,312,954)	(1,491,703)
Profit before tax		3,984,188	3,777,810
Income tax expense	22(a)	(1,919,684)	(1,067,787)
Profit for the year		2,064,504	2,710,023
Other comprehensive income		-	-
Total comprehensive income		2,064,504	2,710,023
Earnings per shares (TZS)			
– Basic	26	35.90	47.13
– Diluted		35.90	47.13


The notes on pages 28 to 70 are an integral part of these financial statements.


Report of the auditor – pages 19 to 23.

TOL GASES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 TZS '000	2023 TZS '000
ASSETS			
Non-current Assets			
Property, plant and equipment	13	45,078,030	38,824,561
Right-of-use assets	14(b)	317,761	322,915
Intangible asset	15	81,617	150,186
		45,477,408	39,297,662
Current assets			
Inventories	16	2,589,357	5,905,373
Trade and other receivables	17	9,179,450	6,095,260
Advances to suppliers	34	764,454	432,847
Cash and bank balances	18	1,455,718	6,822
Asset held for sale	19	-	2,674,275
		13,988,979	15,114,577
TOTAL ASSETS		59,466,387	54,412,239
EQUITY AND LIABILITIES			
Equity			
Share capital	20(a)	5,750,596	5,750,596
Share premium	20(b)	6,762,049	6,762,049
Retained earnings		14,836,782	12,772,278
		27,349,427	25,284,923
Non-current liabilities			
Long term borrowings	21	7,693,972	6,803,990
Lease liabilities	14(a)	58,388	58,676
Deferred tax liability	22 (c)	5,925,866	4,684,702
		13,678,226	11,547,368
Current liabilities			
Bank overdraft	24	3,050,437	3,233,293
Current portion of borrowings	21	8,887,671	5,868,750
Tax payable	22(b)	139,279	956,948
Trade and other payables	23	5,828,889	6,987,338
Lease liabilities	14(a)	11,386	11,386
Cylinder deposits	25	521,072	522,233
		18,438,734	17,579,948
Total liabilities		32,116,960	29,127,316
TOTAL EQUITY AND LIABILITIES		59,466,387	54,412,239

The financial statements on pages 24 to 70 were approved and authorised for issue by the board of directors on 25th June 25, and signed by:


CPA Leonard C. Kitoka
Chairman


Mr. Justin Massawe
Director

The notes on pages 28 to 70 are an integral part of these financial statements.

Report of the auditor – pages 19 to 23.

TOL GASES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital TZS '000	Share premium TZS '000	Retained earnings TZS '000	Total TZS '000
1 January 2023	5,750,596	6,762,049	12,937,553	25,450,198
Profit for the year	-	-	2,710,023	2,710,023
Transactions with the owners of the Company				
Dividends payments (declared and paid for year ending 2022)	-	-	(2,875,298)	(2,875,298)
At 31 December 2023	<u>5,750,596</u>	<u>6,762,049</u>	<u>12,772,278</u>	<u>25,284,923</u>
1 January 2024	5,750,596	6,762,049	12,772,278	25,284,923
Profit for the year	-	-	2,064,504	2,064,504
At 31 December 2024	<u>5,750,596</u>	<u>6,762,049</u>	<u>14,836,782</u>	<u>27,349,427</u>

The notes on pages 28 to 70 are an integral part of these financial statements.

Report of the auditor – pages 19 to 23.

TOL GASES PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	TZS '000	TZS '000
OPERATING ACTIVITIES:			
Profit for the year		2,064,504	2,710,023
Adjustment for non-cash items:			
Depreciation	13	4,160,295	2,690,235
Depreciation of right-of-use assets	14(b)	5,154	5,153
Amortisation of intangibles	15	75,459	75,072
Impairment expense on plant and machinery	13	602,230	-
Interest expense on bank loan and overdraft	11(b)	2,258,286	1,452,737
Interest expense on lease liability	11(b)	11,098	11,135
Impairment loss in trade receivables		29,130	-
Gain on disposal of fixed assets		(137,211)	(38,305)
Unrealised foreign exchange gain on cash		(285,104)	(71,306)
Tax expense		1,919,684	1,067,787
		10,703,525	7,902,531
Changes in working capital			
Inventories		3,316,016	(3,567,794)
Trade and other receivables		(3,113,320)	783,816
Cylinder deposits		(1,161)	5,096
Advances to suppliers		(331,607)	1,937,402
Trade and other payables		(1,158,449)	3,266,028
Cash generated from operating activities		9,415,004	10,327,079
Corporate tax paid	22(b)	(1,332,859)	(130,000)
Withholding tax utilised	22(b)	(163,331)	(179,231)
Interest paid – loan and bank overdraft		(2,202,035)	(1,452,737)
Interest paid – lease liability		(11,098)	(11,135)
Net cash flows generated from operating activities		5,705,681	8,553,976
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	13	(8,377,746)	(5,428,496)
Proceeds from sale of property, plant and equipment		173,538	38,305
Purchase of intangible assets		(6,890)	-
Net cash flows used in investing activities		(8,211,098)	(5,390,191)
FINANCING ACTIVITIES:			
Proceeds from borrowings	21	3,911,933	3,000,000
Repayment of borrowings	21	(59,281)	(4,333,510)
Dividends paid		-	(2,875,298)
Payment of principal portion of lease liabilities	14(d)	(288)	(951)
Net cash flows generated from/(used in) financing activities		3,852,364	(4,209,759)
Net increase / (decrease) in cash and cash equivalent		1,346,947	(1,045,974)
Cash and cash equivalents at 1 January		(3,226,471)	(2,251,803)
Effects of movements in exchange rates on cash held		284,805	71,306
Cash and cash equivalents at 31 December	18	(1,594,719)	(3,226,471)

The notes on pages 28 to 70 are an integral part of these financial statements.

Report of the auditor – pages 19 to 23.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Impairment of non-financial assets (continued)

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account.

j) Taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The current rate of corporate tax is 30%.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

20. SHARE CAPITAL AND RESERVES (CONTINUED)

	2024 TZS '000	2023 TZS '000
b) Share Premium		
57,505,963 (2023: 57,505,963) Ordinary shares	<u>6,762,049</u>	<u>6,762,049</u>

The share premium of TZS 6.762 million was realised in the initial public offering made in 1998 and right issues made to 2014. There were no changes in the share premium during the year.

21. LOANS AND BORROWINGS

	2024 TZS '000	2023 TZS '000
At 1 January	12,672,740	14,006,250
Received during the year	3,911,933	3,000,000
Interest	1,871,003	834,687
Repayment of interest	(1,814,752)	(834,687)
Repayment of principal	(59,281)	(4,333,510)
As at 31 December	<u>16,581,643</u>	<u>12,672,740</u>
Long term portion	7,693,972	6,803,990
Current portion	8,887,671	5,868,750
Total loan	<u>16,581,643</u>	<u>12,672,740</u>

The balance as at 31st December 2024 comprises loans and borrowings from Diamond Trust Bank Tanzania Limited, Scania Credit Solutions (T) Limited and Erncon Holdings Limited debt note.

DTB loan facility

The Company obtained a term loan facility amounted to TZS 14.475 billion from Diamond Trust Bank for paying off the Absa Bank Tanzania Limited and CRDB Bank PLC loan facility amounting to TZS 7.5 billion at a time of repayment. The remaining balance of TZS 6.975 billion was used to finance acquisition of a new carbon dioxide plant and improve the distribution fleet for CO2. The loan was secured on 11 August 2021 and is to be repaid in sixty (60) equal monthly instalments. Interest rate is 12.75%, accrues daily and paid monthly in arrears with a grace period of one year.

	2024 TZS '000	2023 TZS '000
At 1 January	12,672,740	14,006,250
Received during the year	-	3,000,000
Interest	1,791,150	834,687
Repayment of interest	(1,791,150)	(834,687)
Repayment of principal	-	(4,333,510)
As at 31 December	<u>12,672,740</u>	<u>12,672,740</u>
Long term portion	6,226,596	6,803,990
Current portion	6,446,144	5,868,750
Total loan	<u>12,672,740</u>	<u>12,672,740</u>

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

1. CORPORATE INFORMATION

The Company is incorporated in Tanzania under the Companies Act Cap. 212 (Now Companies Act, No. 12 of 2002). The Company is listed on Dar es Salaam Stock Exchange.

The principal activity of the Company is production and distribution of industrial gases, medical gases and related accessories. The registered address is P.O. Box 911, plot number 4, Nyerere Road, Dar es Salaam.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002. They were authorized for issue by the Company's Board of Directors on 25th June 2025.

The financial statements have been prepared on a historical cost basis, except where fair value measurements have been applied.

The financial statements are presented in Tanzanian Shillings (TZS) which is also the Company's functional currency. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in the Tanzanian shillings, which is the Company's functional and presentation currency rounded to the nearest Tanzanian million shillings, unless otherwise indicated.

b) Going concern

As at 31 December 2024, the Company reported profits of TZS 2.1 billion, net assets of TZS 27.3 billion and positive cashflows from operating activities of TZS 5.7 billion, however, the current liabilities exceeded its current assets by TZS 4,450 million, resulting in a net current liability position as at that date. This was mainly attributable to additional borrowings undertaken during the year to finance the additional investment required for optimization of Ikama II carbon dioxide plant.

Consequently, the Company has deliberately taken the following measures to strengthen its liquidity position;

- Securing a Medical Stores Department (MSD) tender valued at TZS 2.5 billion-this contract was signed in 2025 and is expected to be completely executed by the end of the year.
- The company is in the process of supplying and installing VIE tanks worth approximately TZS 1.3 billion.
- Obtaining approval of an increase overdraft facility from TZS 3.2 billion to TZS 4.2 billion to enhance short-term working capital availability.

The Directors believe that these measures, along with ongoing operational improvements, will support the Company's ability to meet its short-term obligations and continue as a going concern.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. BASIS OF PREPARATION

b) Going concern (Continued)

Therefore, the financial statements have been prepared on a going concern basis which presumes that the Company will continue in operational existence for at least one year from the date of the audit report and will be able to realize its assets and discharge its liabilities in the ordinary course of business.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

New standards, amendments, requirements and interpretations effective and adopted during the year ended 31 December 2024.

Changes resulted from the new or revised standards, interpretations, amendments to the existing standards, interpretations, and improvements to the IFRS Accounting Standards that became effective during the year did not have any impact on the accounting policies, financial position, or performance of TOL Gases Plc.

New currently effective standards/amendments/requirements	Effective date
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 <i>Leases</i>	1 January 2024
- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 <i>Presentation of Financial Statements</i>	1 January 2024
- Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> – <i>Supplier Finance Arrangements</i>	1 January 2024
- IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information.	1 January 2024
- IFRS S2** <i>Climate-related Disclosures</i> .	1 January 2024

** The implementation and effective dates of the IFRS Sustainability Disclosure Standards depend on local regulations. In Tanzania, they become effective from 1 January 2025 for public interest entities. Once they become effective, they will be disclosed within Report by Those charged with governance.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

a) Judgements, assumptions and estimation uncertainties

Information about judgements made in applying accounting policies including estimates and assumptions that have the most significant effects on the amounts recognized in the financial statements and significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Taxes

Significant assumptions are required in determining the Company's overall income tax provision. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. When the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the current and any deferred income tax provisions in the period in which the determination is made.

Asset useful lives and residual values

The useful lives and residual values of items of property, plant and equipment as disclosed in Note 5 (c) of these financial statements are estimated annually and are in line with the rate at which they are depreciated.

Asset held for sale.

Assessing whether some items of PPE qualify to be classified as assets held for sale in line with requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Revenue recognition

Identification of separate performance obligations in determining whether performance obligations embedded in the sales contracts have been met and allocation of the transaction price to the different Performance obligations.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts 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.

Going concern

Whether there are material uncertainties that may cast significant doubt on entity's ability to continue as a going concern as disclosed in Note 2 (b) of these financial statements.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

a) Judgements, assumptions and estimation uncertainties (continued)

Measurement of ECL allowance for trade receivable

The Company estimates expected credit loss by assessing the loss that will be incurred given customer default based on past payment experience and by assessing the probability of default taking into account information specific to the customer as well as pertaining to the country and economic environment in which the customer operates. The estimate also incorporates forward looking data.

Lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Company, the Company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Company to exercise the option.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

b) Determination and measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Further information about the assumptions made in determining fair values are disclosed in the notes specific to that asset or liability.

The Company has an established control framework with respect to the measurement of fair value. This includes a management team that monitors need for fair valuation and sources for experts that will perform the valuation.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observed for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Determination and measurement of fair values (Continued)

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs)

If the input used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Fair value disclosure is made in Note 30 to the financial statements.

5. MATERIAL ACCOUNTING POLICIES

The principal policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the year of operation.

a) Revenue recognition

Revenues from operations consist of revenue from sale of goods and services. Revenue represents income arising in the course of an entity's ordinary activities, which leads to an increase of economic benefits during the accounting period.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Upon delivery of goods or services to the respective customers, a delivery note is signed by both parties which serves as evidence of satisfaction of performance obligation. The Company applied the portfolio approach in assessing the contracts. Revenue is stated net of value-added tax (VAT).

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Company accounts for a revenue contract with a customer as follows:

- Identify the contract with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligation in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Refer to Note 7 to the financial statements for revenue recognition policy of each stream of revenue of the Company.

The Company 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, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Revenue recognition (continued)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company'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.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

b) Interest and similar income and expenses

Interest income and expense

For all financial instruments measured at amortized cost, interest income or expense is recorded at the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Foreign exchange gain and losses

The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as 'other operating income'.

Gain or loss on disposal of property plant and equipment

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are recognized within other operating (losses)/income in the profit and loss account.



TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

c) Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one year.

Recognition and measurement

Items of equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as incurred.

Subsequent cost

Expenditure incurred subsequently for major services, additions to, major renovations or replacements of parts of property, plant and equipment are recognised in the carrying amount of the item if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably and are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

All other repairs and maintenance expenditure and day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each part of an item of equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

<u>Description</u>	<u>Rate (%)</u>
Buildings	2
Plant and Machinery	5 - 10
Cylinders	4
Office Equipment	10 - 33
Motor Vehicles	20 - 25

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

c) Property, plant and equipment

Capital Work in progress

Work in progress is initially recorded at historical cost at the date of a report which includes expenditure that is directly attributable to the construction of the Property and equipment. These are not depreciated until they become available for use/ ready for use.

The Land that has been classified on Property plant and equipment does yet not have title deed, but the company has primary mining licence on that land, hence not depreciated.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the asset is derecognised.

d) Borrowing costs

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

e) Intangible assets

Recognition and measurement

Intangible assets comprise the cost of acquired computer software and programmes. Expenditure on acquired computer software and programmes is capitalised and measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Intangible assets (continued)

Amortisation

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Current intangible assets which comprise of computer software is amortised over 5 years.

f) Inventories

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

Raw materials:

Cost is determined by weighted average cost basis.

Finished goods and work in progress:

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

At every reporting date, the Company assesses potential provision for which obsolete items mainly relate to materials or spares which have no further use due to obsolescence, technological changes or other factors. Whenever there are indicators for obsolescence, the Company reflects the respective adjustments in profit and loss.

g) Employees' benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plan

All of the Company's employees are members of the National Social Security Fund ("NSSF"), which is a defined contribution plan as prescribed by the law. The Company and employees both contribute 10% each or 15% by the Company and 5% by employees, from the permanent and pensionable employees' basic salaries to the scheme.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Employees' benefits (continued)

Defined contribution plan (continued)

The Company also contributes 10% of non-permanent and pensionable employees' gross salary towards NSSF. The contribution is charged to the profit or loss account when incurred.

Defined contribution plan

All of the Company's employees are members of the National Social Security Fund ("NSSF"), which is a defined contribution plan as prescribed by the law. The Company and employees both contribute 10% each or 15% by the Company and 5% by employees, from the permanent and pensionable employees' basic salaries to the scheme. The Company also contributes 10% of non-permanent and pensionable employees' gross salary towards NSSF. The contribution is charged to the profit or loss account when incurred.

Terminal benefits

Terminal benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Company recognizes terminal benefits when it is constructive obliged to either terminate the employment formal plan without possibility of withdrawal or to provide terminal benefits because of an offer made to encourage voluntary redundancy.

h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less with an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

i) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company 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 to sell and its value in use and 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. 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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Impairment of non-financial assets (continued)

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account.

j) Taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The current rate of corporate tax is 30%.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

j) Taxes (continued)

Deferred tax (continued)

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Value added tax

Revenues, expenses and assets are recognized at amounts net of value added tax except where the value added tax is incurred on a purchase of an asset or service is not recoverable from the taxation authority in which case the value added tax is recognized as part of the cost of acquisition of the asset or part of the expense item as applicable.

The net amount of value added tax recoverable from, or payable to, the tax authority is included as part of the receivables or payables in the balance sheet.

Capital gain taxes

Capital gain taxes arising as result of a change in control at the ultimate Parent Company level are recognized as tax liabilities in Company's books as other payables to revenue Authorities and other receivable from the parent Company.

Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments

i. Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue (for an item not recognised at fair value through profit or loss (FVTPL)). A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (FVOCI - debt investment; FVOCI - equity investment); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets - Business model assessment (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Impairment of financial assets and contract assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive.

Loss allowances for trade receivables is measured at an amount equal to lifetime ECLs (simplified approach). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The Company 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 Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days for credit customers. The Company considers reasonable and supportable forward-looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment. Example of micro economic factors considered include changes in inflation rate, Gross Domestic Product (GDP) rate and interest rates. In calculation of ECL using simplified approach, the Company uses historical loss rate adjusted with forward-looking information where relevant.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised accordance with the requirement of IFRS 9.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred;
- or
-

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

iv. *Derecognition (continued)*

Financial assets (continued)

- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

v. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l) **Cylinder deposits**

Compressed gases must be contained in the Company's cylinders which are specifically made to accommodate the required pressure of 200 bars depending on the different types of gases. Cylinders are treated as non-current assets which are given to customers with the product who in turn pay a refundable deposit equivalent to the prevailing market value of each cylinder. Amount paid by a customer as security deposit for the cylinders is refundable upon return of the cylinder.

m) **Foreign currency translation**

Functional and Presentation Currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the spot rate of exchange ruling at the reporting date.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Foreign currency translation (continued)

Transactions and balances (continued)

All differences arising from settlement and translation of monetary items are recognised in other income in 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 recognition. 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.

n) Leases

At inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Leases in which the Company is a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right of use asset and lease liability at the lease commencement date. The right of use of asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of the property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determined its incremental borrowing rate by obtaining interest rates from various external financing sources.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Leases (continued)

Leases in which the Company is a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period of the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the
- Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable, under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right of use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

o) Share capital and equity

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

p) Provisions

Provisions are recognized when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Provisions (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

q) Foreign currencies

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Tanzanian Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss within 'other operating income' or 'other operating expenses'.

r) Dividend distribution

It is the Company's policy to pay dividends to its shareholders based on the assessment of the directors on the company's financial situation, its future needs for investment and subject to declaration by the directors and approval. Final dividends distribution to the Company's shareholders is recognized as a liability in the Company's balance sheet in the period in which the dividends are approved by the Company's Board of Directors.

Dividends are subject to a withholding tax of 5%. The directors do not recommend payment of dividend for 2024 (2023: Nil). Dividend paid is classified under financing activities in the statement of cash flows.

s) Basic and Diluted earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after deducting interest on the convertible non-cumulative redeemable preferences shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

t) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Reclassification and Impairment of Asset Held for Sale

During the year ended 31 December 2024, an asset previously classified as held for sale, with a carrying amount of TZS 2,674 million, was reclassified back to non-current assets as it no longer meets conditions for Asset held for sale in accordance to IFRS 5.

Following the reclassification, the asset's recoverable amount was reassessed by using fair value less cost to disposal approach and determined to be TZS 1,303 million, resulting in impairment loss of TZS 602 million

Consequently, a cumulative depreciation charge of TZS 768 million was recognized in the current year, representing depreciation from April 2019 (the date of initial classification as held for sale) through to December 2024

6. SEGMENT REPORTING

The Managing Director is the Company's chief operating decision-maker. The Managing Director considers the business from a geographic and product perspective. The performance of operations are considered in aggregate due to centralized nature of the Company's business. Therefore, the Company does not have reportable segments. All Company's business activities and operations have not been disaggregated into different segments as such all operating activities, financial results, forecasts, or plans are not tracked or assessed as different components since the Company operates from one strategic location. Based on this, there is no separate segmental reporting.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 TZS '000	2023 TZS '000
Industrial and medical gases	26,412,663	21,239,641
Accessories	236,728	526,085
Installation and services	3,551,312	2,961,750
	<u>30,200,703</u>	<u>24,727,476</u>

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

	2024 TZS '000	2023 TZS '000
Contract balances		
Trade receivables – Note 17	8,768,463	5,908,063
Advances from customers – Note 23	1,514,511	1,097,368

Performance obligation and revenue recognition policies of major items of revenue

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Industrial and medical gases	Customers obtain control of industrial gases when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 30 days.	Revenue is recognised when the industrial and medical gases are delivered and have been accepted by customers at their premises.
Accessories	Customers obtain control of accessories when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable on demand and for some customers, within 30 days.	Revenue is recognised when the accessories are delivered and have been accepted by customers at their premises.
Installation	The Company installs manifold systems in public and private hospitals based on their designs and is installed on their premises. Each project commences on receipt of advance payment from a customer and its length depends on the complexity of the design. However, projects usually do not extend beyond twelve months.	Revenue is recognised after the completion of installation of a manifold unit system at a hospital.
Maintenance services	The Company provides maintenance services to the installed manifold systems in public and private hospitals. Invoices are issued monthly and are usually payable within 30 days.	Revenue is recognised over time as the services are provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

8. COST OF SALES

	2024 TZS '000	2023 TZS '000
Direct Cost		
Raw material	2,770,570	3,075,282
Direct labour (Note 12)	1,902,885	1,740,365
Transport costs	5,935,123	4,123,560
Depreciations of assets involved in the production	3,935,667	2,474,052
Other cost of sales	2,113,772	1,482,553
Impairment for asset previously held for sale	602,230	-
Electricity and generator	1,788,574	1,493,592
	19,048,821	14,389,404

The makeup of the direct cost consists of TZS 3,936 million (2023: TZS 2,474 million) which is part of the total depreciation cost of TZS 4,160 million (2023: TZS 2,690 million) as disclosed in the Note 13. This depreciation is directly associated with the production.

9. OTHER INCOME

Installation and fixing of plants*	920	-
Gain on sale of fixed assets	137,211	38,305
	138,131	38,305

*Installation and fixing of plants relates to income earned from ad-hoc services provided to customers.

10 OPERATING EXPENSES

	2024 TZS '000	2023 TZS '000
External audit fees	65,000	70,000
Legal and professional fees	383,657	344,347
Depreciation of property, plant and equipment	224,628	216,715
Depreciation on Right of use asset	5,154	5,153
Amortisation of intangible assets	75,459	75,072
Staff cost (Note 12)	2,861,642	3,335,762
Bank charges	71,099	139,429
Administration cost	1,277,102	1,183,074
	4,963,741	5,369,552

The depreciation cost of TZS 225 million (2023: TZS 217 million) is part of the total depreciation cost of TZS 4,160 million (2023: TZS 2,690 million) disclosed in the Note 13.

11a. FINANCE INCOME

	2024 TZS '000	2023 TZS '000
Net foreign exchange gain	-	262,688

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	2024 TZS '000	2023 TZS '000
11b. FINANCE COSTS		
Interest expense on lease liabilities (Note 14(c))	11,098	11,135
Interest expense on bank loan (Note 21)	1,871,003	834,687
Interest expense on bank overdraft	387,283	618,050
Fees and commissions	26,513	27,831
Net foreign exchange loss	17,057	-
	<u>2,312,954</u>	<u>1,491,703</u>

Interest expense on bank loan and overdraft presented in the cashflow statement is TZS 2,258,286,000 (2023: TZS 1,452,737,000).

	2024 TZS '000	2023 TZS '000
12. STAFF COST		
Salaries and wages	3,030,621	2,841,537
Statutory deductions	124,386	122,969
Defined benefit contribution expense – NSSF	368,331	391,540
Staff bonus	-	600,000
Medical expenses	294,235	322,237
Gratuity and severance payment	231,025	198,234
Other staff costs*	715,929	599,610
	<u>4,764,527</u>	<u>5,076,127</u>
Direct labour	1,902,885	1,740,365
Operating expenses	2,861,642	3,335,762
	<u>4,764,527</u>	<u>5,076,127</u>

*Other staff costs consist of costs such as transportation costs, uniforms, trainings, and food that is provided to all staff without discrimination given to staff.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT

	Land TZS'000	Building TZS'000	Plant & machinery TZS'000	Cylinders TZS'000	Motor vehicles TZS'000	Office equipment TZS'000	Work in progress TZS'000	Total TZS'000
Cost								
At 1 January 2023	448,963	3,378,150	23,676,794	6,235,583	11,438,375	1,396,482	8,543,845	55,118,192
Additions	-	33,136	270,715	118,904	742,277	34,551	4,228,913	5,428,496
Transfer	-	2,983,440	7,837,400	-	845,484	-	(11,666,324)	-
Disposal	-	-	-	-	(307,114)	-	-	(307,114)
At 31 December 2023	448,963	6,394,726	31,784,909	6,354,487	12,719,022	1,431,033	1,106,434	60,239,574
At 1 January 2024	448,963	6,394,726	31,784,909	6,354,487	12,719,022	1,431,033	1,106,434	60,239,574
Additions	-	38,054	828,232	3,720	406,500	80,865	7,020,375	8,377,746
Transfer	-	-	3,962,309	-	4,122,552	-	(8,084,861)	-
Disposal	-	-	-	-	(678,355)	-	-	(678,355)
Reclass from Held for sale	-	-	8,351,416	-	-	-	-	8,351,416
At 31 December 2024	448,963	6,432,780	44,926,866	6,358,207	16,569,719	1,511,898	41,948	76,290,381
Accumulated depreciation								
At 1 January 2023	-	695,507	7,616,126	1,991,269	7,650,545	1,078,445	-	19,031,892
Charge for the year	-	70,838	1,113,079	239,209	1,113,181	153,928	-	2,690,235
Disposal	-	-	-	-	(307,114)	-	-	(307,114)
At 31 December 2023	-	766,345	8,729,205	2,230,478	8,456,612	1,232,373	-	21,415,013
At 1 January 2024	-	766,345	8,729,205	2,230,478	8,456,612	1,232,373	-	21,415,013
Charge for the year	-	126,491	2,255,485	243,255	1,436,314	98,750	-	4,160,295
Disposal	-	-	-	-	(642,028)	-	-	(642,028)
Impairment	-	-	602,230	-	-	-	-	602,230
Reclass from Held for sale	-	-	5,676,841	-	-	-	-	5,676,841
At 31 December 2024	-	892,836	17,263,761	2,473,733	9,250,898	1,331,123	-	31,212,351
Carrying value								
At 31 December 2023	448,963	5,539,944	27,663,105	3,884,474	7,318,821	180,775	41,948	45,078,030
At 31 December 2024	448,963	5,628,381	23,055,704	4,124,009	4,262,410	198,660	1,106,434	38,824,561

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

There are assets included within Property, plant and equipment which are securities for the loans acquired by the Company. Refer Note 21(b).

The Aspen 1000 Plant, previously classified as held for sale with a carrying amount of TZS 2.67 billion, has been reclassified back to non-current assets during the year. Refer Note 19.

14. LEASES

The company as a lessee

The Company's leases relate to land. Further information about leases for which the Company is a lessee is presented below.

a) Lease liabilities

	2024 TZS '000	2023 TZS '000
Lease liability movement		
Balance at 1 January	70,062	71,013
Interest expense	11,098	11,135
Repayments	(11,386)	(12,086)
	<u>69,774</u>	<u>70,062</u>
Lease liability classification		
Current portion	11,386	11,386
Non-current portion	58,388	58,676
At 31 December	<u>69,774</u>	<u>70,062</u>

b) Right-of-use assets

	2024 TZS '000	2023 TZS '000
Cost		
Balance at 1 January	425,762	425,762
Additions	-	-
At 31 December	<u>425,762</u>	<u>425,762</u>
Depreciation		
At 1 January	(102,847)	(97,694)
Charge for the year	(5,154)	(5,153)
At 31 December	<u>(108,001)</u>	<u>(102,847)</u>
Net carrying account	<u>317,761</u>	<u>322,915</u>

c) Amounts recognised in profit or loss

	2024 TZS '000	2023 TZS '000
Interest on lease liabilities	11,098	11,135
Depreciation of right of use assets	5,154	5,153

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

14. LEASES (CONTINUED)

The company as a lessee (continued)

d) Amounts recognised in statement of cash flows

	2024 TZS '000	2023 TZS '000
Within operating cash flows (interest on lease liabilities)	11,098	11,135
Within financing cash flows (payment of principal lease liabilities)	288	951
	<u>11,386</u>	<u>12,086</u>

15. INTANGIBLE ASSETS

	2024 TZS' 000	2023 TZS' 000
Cost		
At 1 January	547,162	547,162
Additions	6,890	-
31 December	<u>554,052</u>	<u>547,162</u>
Accumulated amortization		
At 1 January	396,976	321,904
Charge for the year	75,459	75,072
31 December	<u>472,435</u>	<u>396,976</u>
Net carrying amount	<u>81,617</u>	<u>150,186</u>

The intangible asset consists of computer software. The amortisation of intangible asset has been disclosed under operating expense (Note 10).

16. INVENTORIES

	2024 TZS '000	2023 TZS '000
Raw materials	899,149	1,401,541
Finished goods	40,769	19,687
Welding and medical machines equipment	1,681,657	4,516,363
Less: Inventory provision	(32,218)	(32,218)
	<u>2,589,357</u>	<u>5,905,373</u>

In 2024, inventories of TZS 2,770 million (2023: TZS 3,075 million) were recognised as an expense during the year and included in cost of sales.

Inventories are not pledged as security.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. INVENTORIES (CONTINUED)

Movement on the provision for impairment of inventories is as follows:

	2024 TZS '000	2023 TZS '000
At 1 January	32,218	32,218
Charge for the year	-	-
At 31 December	32,218	32,218

17. TRADE AND OTHER RECEIVABLES

	2024 TZS' 000	2023 TZS' 000
Trade receivables	8,768,463	5,908,063
Expected credit loss (Note 29)	(468,065)	(438,935)
Total trade receivables	8,300,398	5,469,128
Staff and other receivables	103,278	101,044
Prepayments	775,774	525,088
Total trade and other receivables	9,179,450	6,095,260

Trade receivables are non-interest bearing and are generally on 30-90 days terms. As at 31 December 2024 impairment provisions of TZS 468.1 million (2023: TZS 438.9 million) were recognized on the trade receivable balances. The impairment provision for staff and other receivables were assessed to be immaterial to the financial statement (2023: nil).

Movement on the provision for expected credit loss:

	2024 TZS' 000	2023 TZS' 000
At 1 January	438,935	438,935
Charge for the year	29,130	-
At 31 December	468,065	438,935

Trade and other receivables comprise the following amounts denominated in foreign currency (USD):

	2024 TZS' 000	2023 TZS' 000
Amount is in TZS	695,601	121,875
	695,601	121,875

18. CASH AND CASH EQUIVALENTS

	2024 TZS' 000	2023 TZS' 000
Cash in hand	22,409	309
Cash at Bank	1,433,309	6,513
	1,455,718	6,822

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18. CASH AND CASH EQUIVALENTS (CONTINUED)

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	2024 TZS' 000	2023 TZS' 000
Cash at banks and in hand	1,455,718	6,822
Bank overdrafts (Note 24)	(3,050,437)	(3,233,293)
	<u>(1,594,719)</u>	<u>(3,226,471)</u>

Cash and cash equivalents comprise the following amounts denominated in foreign currency:

	2024 TZS' 000	2023 TZS' 000
(EURO):		
Amount is in TZS	356	369
(USD):		
Amount is in TZS	1,238,636	3,732

19. ASSETS HELD FOR SALE

During the year ended 31 December 2024, an asset previously classified as held for sale, with a carrying amount of TZS 2,674 million, was reclassified back to non-current assets as it no longer meets conditions for Asset held for sale in accordance with IFRS 5.

Following the reclassification, the asset's recoverable amount was reassessed by using fair value less cost to disposal approach and determined to be TZS 1,303 million, resulting in impairment loss of TZS 602 million.

In total, the financial performance for the year was adversely impacted by TZS 1,371 million due to the combined effect of the depreciation and impairment.

20. SHARE CAPITAL AND RESERVES

	2024 TZS '000	2023 TZS '000
a) Share Capital		
Authorized		
60 million Ordinary Shares of TZS 100 each	<u>6,000,000</u>	<u>6,000,000</u>
Issued and fully paid		
57,505,963 (2023: 57,505,963) Ordinary Shares of TZS 100 each	<u>5,750,596</u>	<u>5,750,596</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally regarding the Company's residual assets.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

20. SHARE CAPITAL AND RESERVES (CONTINUED)

	2024 TZS '000	2023 TZS '000
b) Share Premium		
57,505,963 (2023: 57,505,963) Ordinary shares	<u>6,762,049</u>	<u>6,762,049</u>

The share premium of TZS 6.762 million was realised in the initial public offering made in 1998 and right issues made to 2014. There were no changes in the share premium during the year.

21. LOANS AND BORROWINGS

	2024 TZS '000	2023 TZS '000
At 1 January	12,672,740	14,006,250
Received during the year	3,911,933	3,000,000
Interest	1,871,003	834,687
Repayment of interest	(1,814,752)	(834,687)
Repayment of principal	(59,281)	(4,333,510)
As at 31 December	<u>16,581,643</u>	<u>12,672,740</u>
Long term portion	7,693,972	6,803,990
Current portion	8,887,671	5,868,750
Total loan	<u>16,581,643</u>	<u>12,672,740</u>

The balance as at 31st December 2024 comprises loans and borrowings from Diamond Trust Bank Tanzania Limited, Scania Credit Solutions (T) Limited and Erncon Holdings Limited debt note.

DTB loan facility

The Company obtained a term loan facility amounted to TZS 14.475 billion from Diamond Trust Bank for paying off the Absa Bank Tanzania Limited and CRDB Bank PLC loan facility amounting to TZS 7.5 billion at a time of repayment. The remaining balance of TZS 6.975 billion was used to finance acquisition of a new carbon dioxide plant and improve the distribution fleet for CO₂. The loan was secured on 11 August 2021 and is to be repaid in sixty (60) equal monthly instalments. Interest rate is 12.75%, accrues daily and paid monthly in arrears with a grace period of one year.

	2024 TZS '000	2023 TZS '000
At 1 January	12,672,740	14,006,250
Received during the year	-	3,000,000
Interest	1,791,150	834,687
Repayment of interest	(1,791,150)	(834,687)
Repayment of principal	-	(4,333,510)
As at 31 December	<u>12,672,740</u>	<u>12,672,740</u>
Long term portion	6,226,596	6,803,990
Current portion	6,446,144	5,868,750
Total loan	<u>12,672,740</u>	<u>12,672,740</u>

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. LOANS AND BORROWINGS (CONTINUED)

DTB loan facility (continued)

The Securities for the loans include:

- (i) First legal and continuous mortgage charge over the property with Title no. 186068/25, L.O No. 28248, Plot No.4, Pugu industrial Area in the name of TOL Gases Plc.
- (ii) First legal and continuous mortgage charge over the property with Title no. 937 MZLR L.O. No.67760, Plot No.41, Nyakato industrial Area, Mwanza and Title no. 8883, L.O.No.135720 Plot No.43, Industrial Area, Nyakato, Mwanza in the same name of TOL Gases Plc.
- (iii) First legal and continuous mortgage charge over the property with Title No. 3064 L.O.No.137662 Plot No.1, Kyejo Busokelo Division, Rungwe in the name of TOL Gases Plc.
- (iv) First legal and continuous mortgage charge over the property with Title No. 1432 MB YLR, L.O No.174895, Farm No.1124, Ilenge Village, Rungwe District in name of TOL Gases Plc.
- (v) Specific Debenture of the Plant and Machinery on properties on Plot No.4, Pugu Industrial Area in the name of TOL Gases Plc Plot No.4 and 43, industrial Area, Nyakato Mwanza in the name of TOL Gases Plc.
- (vi) Specific Debenture for new Plant for (CO₂) to be part financed by the bank in the name of TOL Gases Plc (To be charged for TZS 17,675,000,000/- plus Interest and Other Charges).
- (vii) Fixed and Floating Debenture over all current and future assets of TOL Gases Plc (To be charged for TZS 17,675,000,000/- plus Interest and Other charges).

Scania asset financing facility

The Company acquired 6 units of brand-new trucks through asset financing arrangement with Scania Credit Solutions (T) Limited. The facility was secured on 18 September 2024 and is to be repaid in forty-eight (48) equal monthly instalments. Interest rate is 182-day T-Bill rate plus 9.43 % per annum

	2024 TZS '000	2023 TZS '000
At 1 January	-	-
Received during the year	1,911,934	-
Interest	23,603	-
Repayment of interest	(23,603)	-
Repayment of principal	(59,281)	-
As at 31 December	1,852,653	-
Long term portion	1,467,376	-
Current portion	385,277	-
Total loan	1,852,653	-

Erncon Holdings Limited financing

On 1st July 2024 the Company issued 2,000,000,000 15% fixed rate unsecured debt notes at issue price of TZS 1.00 each to Erncon Holdings Limited. The final maturity date is 1st July 2025. The notes bear interest on their outstanding principal amount from (and including) the issue date at a rate of 15% p.a, payable quarterly, on 1st October 2024, 2nd January 2025, 1st April 2025 and 1st July 2025. The debt notes were issued to finance purchase of new trucks.

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

21. LOANS AND BORROWINGS (CONTINUED)

Erncon Holdings Limited financing (continued)

	2024 TZS '000	2023 TZS '000
At 1 January	-	-
Received during the year	2,000,000	-
Interest	56,250	-
Repayment of interest	-	-
Repayment of principal	-	-
As at 31 December	2,056,250	-
Long term portion	-	-
Current portion	2,056,250	-
Total loan	2,056,250	-

22. TAXATION

a) Income tax expense

	2024 TZS '000	2023 TZS '000
Current tax – current year	265,346	261,647
Current tax – prior years	413,175	-
Deferred tax – current year	1,241,164	924,653
Deferred tax – prior year	(1)	(118,513)
Income tax reported in the statement of profit or loss	1,919,684	1,067,787

A reconciliation between tax expense and accounting profit multiplied by Tanzania Corporate tax for the year ended 31 December 2024 and 2023 as follow:

	2024 TZS '000	2023 TZS '000
Accounting profit before income tax	3,984,188	3,777,810
At Tanzania's statutory income tax rate 30% (2023: 30%)	1,195,256	1,133,343
Tax effect of disallowed expenses	311,254	52,957
Under provision of prior years' current taxes	413,175	-
Over provision of prior year deferred taxes	(1)	(118,513)
	1,919,684	1,067,787

b) Tax payable

Balance at 1 January	956,948	1,004,532
Tax charge for the year	265,346	261,647
Current tax – prior years	413,175	-
Withholding tax utilised	(163,331)	(179,231)
Repayment made	(1,332,859)	(130,000)
	139,279	956,948

Tax assessments have been made up to 2022. The Tax authority has up to five (5) years to make final assessment.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

22. TAXATION (CONTINUED)

c) Deferred Tax

31 December 2024	At 31 Dec 2023	Recognised in profit or loss	At 31 Dec 2024
	TZS '000	TZS '000	TZS '000
Accelerated depreciation for tax purposes	4,750,563	1,319,834	6,070,397
Unrealised exchanges gain	78,805	(5,117)	73,688
Inventory provision	(9,665)	-	(9,665)
Gratuity and Terminal Benefit provision	-	(63,354)	(63,354)
Provision for expected credit loss	(131,681)	(8,739)	(140,420)
IFRS 16 Adjustments	(3,320)	(1,460)	(4,780)
	4,684,702	1,241,164	5,925,866

31 December 2023	At 31 Dec 2022	Recognised in profit or loss	At 31 Dec 2023
	TZS '000	TZS '000	TZS '000
Accelerated depreciation for tax purposes	4,038,145	712,418	4,750,563
Unrealised exchanges gain	-	78,805	78,805
Inventory provision	(9,665)	-	(9,665)
Provision for expected credit loss	(131,681)	-	(131,681)
IFRS 16 Adjustments	(18,237)	14,917	(3,320)
	3,878,562	806,140	4,684,702

Final tax assessments

The normal procedure for agreeing the final income tax liability in Tanzania involves the Company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by TRA performing its own review of the Company's submissions and issuing a notice of final income tax assessment to the Company.

The final income tax assessment as determined by TRA after its review and possible site visits may differ from the assessments determined by the Company. The tax laws stipulate procedures for the Company to object and appeal against TRA assessments. It is common that the timeframe from the Company's own submission of final annual tax returns and TRA tax assessments may take several months or years.

During the year ended 31 December 2024, there were no TRA assessments issued to the Company.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

23. TRADE AND OTHER PAYABLES

	2024 TZS '000	2023 TZS '000
Trade payables	2,296,843	1,990,303
Advances from customers	1,514,511	1,097,368
Other payables	1,018,919	1,936,957
Accrual expenses	783,102	682,481
VAT Payable	24,633	465,215
Withholding tax payable	13,728	259,941
Statutory deduction (PAYE, SDL, WCF & NSSF)	177,153	555,073
	5,828,889	6,987,338

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice. Other payables are non-interest bearing and have an average term of six months. The outstanding trade and other payable balance comprise balances denominated in TZS, USD and GBP. Refer Note 29 (foreign currency risk) for the value of trade and other payable balances denominated in GBP and USD.

24. BANK OVERDRAFT

The Company had secured an overdraft facility with DTB Bank of TZS 3.2 billion at an interest rate of 12.75% per annum accruing daily on an outstanding balance and is charged monthly. The overdraft is a revolving facility which is automatically renewable each year.

	2024 TZS '000	2023 TZS '000
Outstanding balance as at 31 December	3,050,437	3,233,293

25. CYLINDER DEPOSIT

Cylinder deposits are made up of payments made by customers for use of cylinders to store gas. The deposit is refundable to customers upon return of the cylinders.

The movements of cylinder deposit accounts during the year was as follows:

	2024 TZS '000	2023 TZS '000
Balance as at January	522,233	517,137
Deposits made during the year	-	5,096
Reallocation	(920)	-
Refunds made during the year	(241)	-
	521,072	522,233

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

26. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the year. There were no transactions leading to dilutive effect.

	2024 TZS '000	2023 TZS '000
Net profit attributable to shareholders	2,064,504	2,710,023
Basic earnings per share (TZS)	35.90	47.13
Basic and diluted earnings per share (TZS)	35.90	47.13

The earning per share above is based on weighted average number of ordinary shares amounting to 57,505,963 as at year end (2023: 57,505,963 shares).

27. EMPLOYEES PENSION

The Company operates a defined contribution plan through a pension scheme to which both the employer and employee contribute. Employees are members of the National Social Security Fund (NSSF). The employer and the local employee, each contribute 10% to NSSF each month.

During the year, the Company's contribution amounted to:

	2024 TZS '000	2023 TZS '000
Total contributions during the year	368,331	391,540

28. RELATED PARTY TRANSACTIONS

The following are the transactions between the Company and its related parties.

Transactions with key management personnel

Key management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, comprising senior management.

Compensation to key management personnel:

	2024 TZS '000	2023 TZS '000
Short term benefits	1,661,658	1,767,689

Directors' remuneration

The directors are each entitled to the directors' fees paid annually as follows:

	2023 TZS '000
The Chairman of the Board	14,118
Other directors	11,765

The directors are each also entitled to sitting allowance for every meeting of the Board or its committees as follows:

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

28. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with key management personnel (continued)

	2023
	<u>TZS'000</u>
The Chairman of the Board	800
Other directors	600

The total remuneration to individual directors, which comprised directors' fees and sitting allowances were as follows:

	2024	2023
	<u>TZS'000</u>	<u>TZS'000</u>
Directors		
Mr. Harry Kitilya	22,118	1,600
Ms. Irene Madeje	8,662	11,459
CPA. Selestine Some	50,265	16,435
Prof Abraham Temu	20,765	12,459
Mr. Justine Massawe	22,565	11,259
CPA. Leonard K. Chacha	21,765	12,059
Ms. Tunu Kinabo	23,165	1,200
Eng. Joseph Machange	7,843	10,659
	<u>177,148</u>	<u>77,130</u>

Directors' interest in the shares of the Company

Directors representing shareholders has interest in issued and fully paid-up shares of the Company as shown below:

<u>Name</u>	<u>Shares</u>	<u>Shares</u>
	2024	2023
1 CPA. Leonard K. Chacha	200	200
2 Joseph C. N. Machange	1,029,584	1,029,584
3 Justine Massawe	400,100	400,100
4 Prof. Abraham K. Temu	17,818	10,075

Payables to related parties

	2024	2023
	<u>TZS'000</u>	<u>TZS'000</u>
Short-term benefits payable to key management personnel	(342,754)	(231,574)
Directors' fees payable	(101,176)	(94,118)
Debt notes payable balance to the shareholder (Erncon Holdings Limited) (Note 21)	(2,056,250)	-
	<u>(2,500,180)</u>	<u>(325,692)</u>

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade payables, overdrafts, and borrowings. The Company does not enter derivative transactions for trading or other purposes. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and cash equivalents, which arise directly from its operations.

The Company's activities expose it to a variety of financial risks; foreign currency, credit and liquidity risks. The Company's overall risk management programme seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the management on behalf of the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency mostly US dollars, British Pounds, and EURO).

The Company manages its foreign exchange risk by forecasting the amount of foreign currencies they require and hold an equivalent amount in foreign currencies (US dollar, British Pounds and EURO). As at 31 December 2024, the balances denominated in foreign currencies were as Shown on the table below:

Balances denominated in foreign currencies

	2024			2023		
	TZS '000 USD	TZS '000 EUR	TZS '000 GBP	TZS '000 USD	TZS '000 EUR	TZS '000 GBP
Cash and bank balances	1,238,636	356	-	3,732	369	-
Trade and other receivables	695,601	-	-	121,875	-	-
Trade and other payables	(347,353)	-	-	(2,912)	-	(454,718)
Net exposure	1,586,884	356	-	122,695	369	(454,718)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar, British Pounds and Euro exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and monetary liabilities).

The Company's exposure to foreign currency changes for all other currencies is not material.

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity (continued)

	Effect on profit and loss TZS '000	Effect on equity (net of tax) TZS '000
2024		
USD (10% movement)	158,688	111,081
EUR (10% movement)	36	25
GBP (10% movement)	-	-
2023		
USD (10% movement)	12,270	8,589
EUR (10% movement)	37	26
GBP (10% movement)	(45,472)	(31,830)

Interest rate risk

In broad terms the interest rate risk is the risk that concerns the sensitivity of the Company's financial performance to changes in the interest rates. The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Company's business strategies to minimise interest risk.

A reasonably possible change of 5% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	5% increase		5% decrease	
	31 Dec 2024 TZS '000	31 Dec 2023 TZS '000	31 Dec 2024 TZS '000	31 Dec 2023 TZS '000
Effect on profit and loss	92,632,700	-	(92,632,700)	-
Effect on equity (net of tax)	64,842,890	-	(64,842,890)	-

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding. The Company aims at maintaining flexibility in funding and aggressive collection efforts in respect of trade debtor's balances. Management monitors rolling forecasts of the Company's liquidity i.e. cash at bank and in hand (Note 18) on the basis of expected cash flows.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their fair values as the impact of discounting is not significant. Borrowing's interest rate approximates the market rate.

	Carrying amount TZS '000	Un-discounted contractual cash flows TZS '000	Less than 1 year TZS '000	More than 1 year TZS '000
31 December 2024				
Lease liabilities*	69,774	518,275	12,330	505,945
Trade and other payables**	4,098,864	4,098,864	4,098,864	-
Cylinder deposits	521,072	521,072	521,072	-
Bank overdrafts	3,050,437	3,050,437	3,050,437	-
Borrowings	16,581,643	19,117,984	10,693,063	8,424,921
	24,321,790	27,306,632	18,375,766	8,930,866
31 December 2023				
Lease liabilities	70,062	528,720	12,330	516,390
Trade and other payables**	4,609,741	4,609,741	4,609,741	-
Cylinder deposits	522,233	522,233	522,233	-
Bank overdrafts	3,233,293	3,233,293	3,233,293	-
Borrowings	12,672,740	14,485,698	6,870,809	7,614,889
	21,108,069	23,379,685	15,248,406	8,131,279

* Included under lease liabilities are leasehold land with lease terms ending between 2028 and 2106 whose carrying amounts varies significantly from the undiscounted cashflows presented herewith.

** Excludes advances from customers, VAT payable, withholding tax payable and statutory deductions.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company extension of credit to its customers. For risk management reporting purposes, the Company considers all elements of credit risk exposure such as individual obligator default risk, nature of customer and sector risk.

The carrying amount of financial assets represents the maximum credit exposure. The table below summaries the maximum credit exposure as at the reporting date.

TOL GASES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

	2024	2023
	TZS '000	TZS '000
Trade receivables (Note 17)	8,300,398	5,469,128
Staff and other receivables (Note 17)	103,278	101,044
Cash at bank (Note 18)	1,433,309	6,513
At 31 December	9,836,985	5,576,685

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 7.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days for credit customers. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security. The expected credit loss on Cash at bank and staff and other receivables is immaterial. The Company considers the exposure on Cash at bank to be limited as the cash have been deposited on reputable Banks and thus the Management is confident that the exposure to losses for the amount held with the bank is immaterial.

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2024	2023
	TZS '000	TZS '000
Opening balance	438,935	438,935
Net re-measurement of loss allowance	29,130	-
Closing balance	468,065	438,935

As at 31 December 2024, trade receivables of TZS 366 million (2023: TZS 355 million) were individually (specifically) impaired and provided for. The individually impaired receivables mainly relate to customers with disputes since 2011.

In the year 2024 the Company has assessed risk clusters based on type of customer and their associated probability of default as detailed below;

Risk cluster	2024				2023			
	Gross Impairment		Net	Loss rate	Gross Impairment		Net	Loss rate
	TZS '000	TZS '000	TZS '000	%	TZS '000	TZS '000	TZS '000	%
CO2 Customers	3,426,699	(34,267)	3,392,432	1.0%	1,705,498	(28,107)	1,677,391	1.6%
Government								
Hospitals	4,283,114	(32,832)	4,250,282	0.8%	3,293,835	(28,296)	3,265,539	0.9%
Other Customers	692,299	(34,615)	657,684	5.0%	553,525	(27,327)	526,198	4.9%
Specific impairment	366,351	(366,351)	-	100%	355,205	(355,205)	-	100%
Total	8,768,463	(468,065)	8,300,398	5.3%	5,908,063	(438,935)	5,469,128	7.4%

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Strategic, Commercial, operational, and financial risks

Through its risk management system, the Company identified strategic, commercial, operational and financial risks that faces the Company and implement strategies to mitigate the impact of the identified risks. These risks are mitigated by either establishing controls, meeting and discussing issues with customers, improving service delivery, investing and training of staff. These risks are well mitigated and have no significant impact to the financial performance of the Company.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS Accounting Standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of cylinder deposits, trade and other payables, and trade and other receivables approximate or equal to the fair values of assets and liabilities as these are short term in nature.

Both fixed and floating interest rates relating to interest-bearing loans and bank overdraft approximate market rates and thus their carrying amount approximates fair value.

In the current year the inflation averaged 3.1% (2023: 4.9%). There is no significant change in interest rate for the loans with similar terms and maturities. Therefore, the carrying amount is the best estimation of the fair value.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

31. CAPITAL MANAGEMENT DISCLOSURES AND ANALYSIS OF CHANGES IN NET DEBT

The Company defines capital as the total equity of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company is not subject to any externally imposed capital requirements. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company aims to maintain capital discipline in relation to investing activities and may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies, or processes during the years ended 31 December 2024 and 31 December 2023.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company includes within net debt, interest bearing loans and borrowings. All components of equity are included in the denominator of the calculation. Please see the table below.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

31. CAPITAL MANAGEMENT DISCLOSURES AND ANALYSIS OF CHANGES IN NET DEBT (CONTINUED)

At 31 December 2024, the net debt ratio was 42% (2023: 39%).

	2024	2023
	TZS'000	TZS'000
Gross debt		
Interest bearing loans and borrowings	16,581,643	12,672,740
Bank overdraft	3,050,437	3,233,293
Net debt	19,632,080	15,906,033
Equity	27,349,727	25,284,923
Total debt and capital	46,981,807	41,190,956
Debt ratio	42%	39%

32. CONTINGENT LIABILITIES

There were no material contingent liabilities as at 31 December 2024, which may possibly result in a loss or gain to the Company or in commitments which it cannot meet, and for which no provision is considered necessary or only partial provision has been made.

33. EVENTS AFTER REPORTING PERIOD

Subsequent to the reporting period, the Company secured a contract with MSD worth TZS 1.3 billion which is scheduled to be completed by the end of 2025. This is expected to improve the company's current liquidity position and

Furthermore, the company signed a definitive agreement for the acquisition of a 13-ton ASU (Air Separation Unit) plant and associated equipment, including an ISO tank through a grant arrangement. The newly acquired plant will operate alongside the existing plant using solar energy generated from a solar infrastructure expected to be financed by an additional grant. This initiative is part of the East Africa Program on Oxygen Access (EAPOA) designed by Unit aid which is scheduled to commence in 2026, under the implementation and oversight of the Clinton Health Access Initiative (CHAI).

In addition, on 17 March 2025, the Ikama I Carbon dioxide Plant experienced an accident that resulted in approximately six weeks of operational downtime. Despite the temporary shutdown, the Company's other three plants continued to meet customer demand without disruption. Accordingly, the financial and operational impact of the incident is assessed to be immaterial.

34. ADVANCES TO SUPPLIERS

Advances to suppliers comprise of amounts paid to suppliers for the goods and services that are yet to be received or enjoyed by the Company. When such payments are made with respect to supplying non-current assets, the advance to suppliers are classified as non-current assets.

TOL GASES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

34. EVENTS AFTER REPORTING PERIOD (CONTINUED)

Below is the summary of advances to suppliers as at the year-end:

	2024 TZS '000	2023 TZS '000
Advances to suppliers: current portions	764,454	432,847
Advances to suppliers: non-current portion	-	-
	<u>764,454</u>	<u>432,847</u>

35. FORTHCOMING STANDARDS

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory. The following amended standards and interpretations are not expected to have a significant impact on the Company's finance statements with the exception of IFRS 18.

Forth Coming standards/amendments	Effective date
- Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> .	1 January 2025
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.	1 January 2026
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7.	1 January 2026
- Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> - IFRS 1 First-time Adoption of International Financial Reporting Standards; - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; - IFRS 9 Financial Instruments; - IFRS 10 Consolidated Financial Statements; and - IAS 7 Statement of Cash flows 	1 January 2026
- IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> .	1 January 2027
- IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> *.	1 January 2027
* Management is still assessing the impact of IFRS 18.	

TOL GASES PLC

30TH ANNUAL GENERAL MEETING

DECLARATION OF DIVIDEND FOR 2024

The current funding requirements of the Company have necessitated for recapitalization of the Company to realign its financing structure. The Directors do not therefore recommend a dividend payment for 2024 financial year. This decision allows the Company to plough back its profit, to support the ongoing investments and create a long-term value for the Company and Shareholders.

TOL GASES PLC

30TH ANNUAL GENERAL MEETING

PROPOSAL FOR RIGHTS ISSUE

Overview

The Board of Directors of TOL Gases Plc is seeking shareholder approval to undertake a rights issue as part of its capital raising strategy to fund expansion initiatives, including the investment in the new Kyejo II CO₂ production plant. The proposed transaction provides existing shareholders the opportunity to subscribe for additional shares at a discount and to deepen their equity participation in the Company's growth.

Key Terms of the Rights Issue

- Entitlement Ratio: 1 new share for every 5 shares held.
- Offer Price: To be issued at a 20% discount to the prevailing market price at the time of obtaining regulatory clearance
- Eligibility: All shareholders on record as of the rights issue record date (to be announced post-approval)

Treatment of Lapsed Shares

In the event that some shareholders do not fully take up their rights entitlements, the lapsed (unsubscribed) shares will be reallocated in the following manner:

1. **First Round:**
Lapsed shares will be allotted to shareholders who have expressed interest in subscribing for additional shares. Should the requests for lapsed shares exceed the amount of lapsed shares, allotment will be on a pro-rata basis.
2. **Second Round:**
If there are still lapsed shares remaining after the first round, a second-round allocation will be applicable to the underwriter only.

This approach balances fairness with prudence, ensuring equitable access to additional shares while protecting the Company from disproportionate control shifts.

Use of Proceeds

Proceeds from the rights issue will be used to:

- Finance the Kyejo II CO₂ plant, which will add 2 tons/hour to current production
- Strengthen the Company's capital structure and support growth initiatives
- Meet rising domestic and regional CO₂ demand sustainably and competitively

Indicative Sequence and Timing of Events

Milestone	Expected Timeline
AGM approval of rights issue	22-Aug-25
Submission to CMSA and DSE	Late August / Early September 2025
Regulatory Approval Window	3 to 6 months From Submission
Approval Expected By	November 2025 - February 2026
Publication of Rights Issue Prospectus/Circular	Immediately After Approvals
Announcement of Record Date	Within 1 Week of Publication
Opening of Rights Subscription Period	10-14 Days After Record Date
Rights Offer Period	21-28 days
Allocation And Allotment of Shares	Within 7 days of Offer Close
Trading of New Shares on DSE	Within 5 Working Days of Allotment

Note: The above timeline is indicative and subject to approvals by the Capital Markets and Securities Authority (CMSA), the Dar es Salaam Stock Exchange (DSE), and the Company's Shareholders.

Board Recommendation

The Board recommends the proposed rights issue for approval by shareholders. This capital raise is aligned with TOL's strategic objective to scale production capacity, respond to growing market demand, and enhance shareholder value through investment. shareholders are requested to support this resolution.

TOL GASES PLC
30TH ANNUAL GENERAL MEETING
APPROVAL OF YEAR 2025 DIRECTORS' REMUNERATION

It is recommended that Director's remuneration to remain the same, i.e. TZS 10,000,000/= net of taxes for each Director and TZS 12,000,000/= net of taxes for the Chairperson, as was approved by the Shareholders in the 2023 AGM.

TOL GASES PLC

30TH ANNUAL GENERAL MEETING

APPOINTMENT OF EXTERNAL AUDITORS

In accordance with Article 136 of the Memorandum and Articles of Association (MEMARTS) of TOL Gases Plc, "The company shall at each Annual General Meeting (AGM) appoint an auditor or auditors to hold office until the next ensuing AGM."

KPMG, the current external auditors, were appointed following a competitive bidding process in 2024. As per the company's audit policy, an appointed external auditor may serve for a maximum of three consecutive financial years. The financial year 2025 will mark KPMG's second year in office.

KPMG has expressed their willingness to continue in office and remains eligible for re-appointment. The Board of Directors, having reviewed their performance and compliance with relevant regulatory and professional standards, recommends the re- appointment of KPMG as the external auditors for the financial year ending 31st December 2025.

Resolution:

Shareholders are hereby requested to approve the re-appointment of KPMG as the External Auditors of TOL Gases Plc for the financial year 2025 at an audit fee of Tanzanian Shillings Sixty-Five Million (TZS 65,000,000/=).

TOL GASES PLC
30TH ANNUAL GENERAL MEETING
ELECTION OF DIRECTORS.

WHEREAS Section 86 of the MEMARTS requires that one-third of the Directors (2 in number) for the time being shall retire from office.

WHEREAS

1. Prof. Abraham Temu (Director, Representing Experts) is due for retirement by rotation.
2. Mr. Leornard Chacha (Director Representing Experts) is due for retirement by rotation.

WHEREAS, Section 89 of the MEMARTS requires that no person shall be eligible for election of the Directorship unless he/she is nominated by the Directors or proposed by a Shareholder who is duly qualified to be present and vote at the meeting and has conceded his/her willingness to be elected.

WHEREAS, any shareholder who would like to nominate a person for election to represent the minority may submit the following to the Secretary no later than 1st August 2025;

1. Notice of his/her intention to propose such a person signed by the proposed person conceding his willingness to be elected.
2. Resume' of the proposed person with due consideration to the requirements of the Companies Act and the Company's MEMARTS.

WHEREAS, the election shall be conducted through voting by shares.

TOL GASES PLC
30TH ANNUAL GENERAL MEETING
ELECTION OF DIRECTORS.

WHEREAS Section 92 of the MEMART provides that the General Meeting may by Ordinary Resolution remove or appoint any Director.

WHEREAS

1. Prof. Abraham Temu (Director, Representing Experts) is due for retirement by rotation.
2. Mr. Leonard Chacha (Director Representing Experts) is due for retirement by rotation.

WHEREAS, as required by Section 89 of MEMARTS, an advertisement for nominations from Shareholders for a candidate to be considered for election was issued in newspapers.

WHEREAS, out of 25 nominations received; the following candidates have been shortlisted for shareholders consideration.

1. Prof. Abraham Temu - Resume is attached.
2. Mr. Leonard Kitoka - Resume is attached.
3. Ms Hilda Bujiku - Resume is attached
4. Mr Pendason Philemon - Resume is attached
5. Mr Martin Jonas Mnari – Resume is attached

WHEREAS the election will be conducted by all shareholders through a vote on shares with each shareholder electing 2 candidates.

WHEREAS Ms/Mr _____ Director representing Treasury Registrar, has been appointed for a term of 3 years. His/Her resume is attached for Shareholders' ratification.

WHEREAS Mr. Harry Kitilya, Director representing major shareholders, has resigned and thereby Ms/Mr _____ has been appointed in replacement. His/Her resume is attached for Shareholder's ratification.

BOARD MEMBER VACANCY.

TOL Gases PLC is the leading manufacturer and distributor of Industrial and Medical Gases. Additionally, the Company distributes high-quality brands of welding and related consumables, as well as medical oxygen-related appliances, within Tanzania and the neighbouring countries through distributorship arrangements.

The secretariat of the Board of Directors of TOL Gases PLC does hereby invite shareholders to nominate suitable candidates to be elected to fill Two vacant positions of Board Membership.

Requirements:

1. Expertise/Skills in Governance, Risk, Compliance, and Administration.
2. Applicants are required to be nominated/proposed by a Shareholder who is duly qualified to be present and vote at the meeting and has signed the proposition to concede his/her willingness to be elected.
3. Any shareholder who would like to nominate/propose a person for election to fill the Board Membership position may submit the following to the Secretary not later than 1st August 2025: -
 - Notice of his/her intention to propose such a person, signed by the proposed person, conceding his /her willingness to be elected.
 - Resume of the proposed person with due consideration to the requirement of the Companies Act and the Companies MEMART
4. Submission should be delivered to the following address.

Company Secretary

TOL Gases PLC

Plot 4b, Nyerere Road

P. O. Box 911,

Dar es Salaam

Email: mdoreen@tol-gases.co.tz

TOL GASES PLC

30TH ANNUAL GENERAL MEETING

DATE AND VENUE OF 31ST ANNUAL GENERAL MEETING

The 31ST Annual General Meeting of the Shareholders of TOL Gases PLC is scheduled as follows.

DATE: Friday, 21st August 2026, commencing at 9.00 am.

VENUE: Mlimani City Conferencing Hall, Dar es Salaam.

TOL GASES PLC
30TH ANNUAL GENERAL MEETING
PROXY FORM

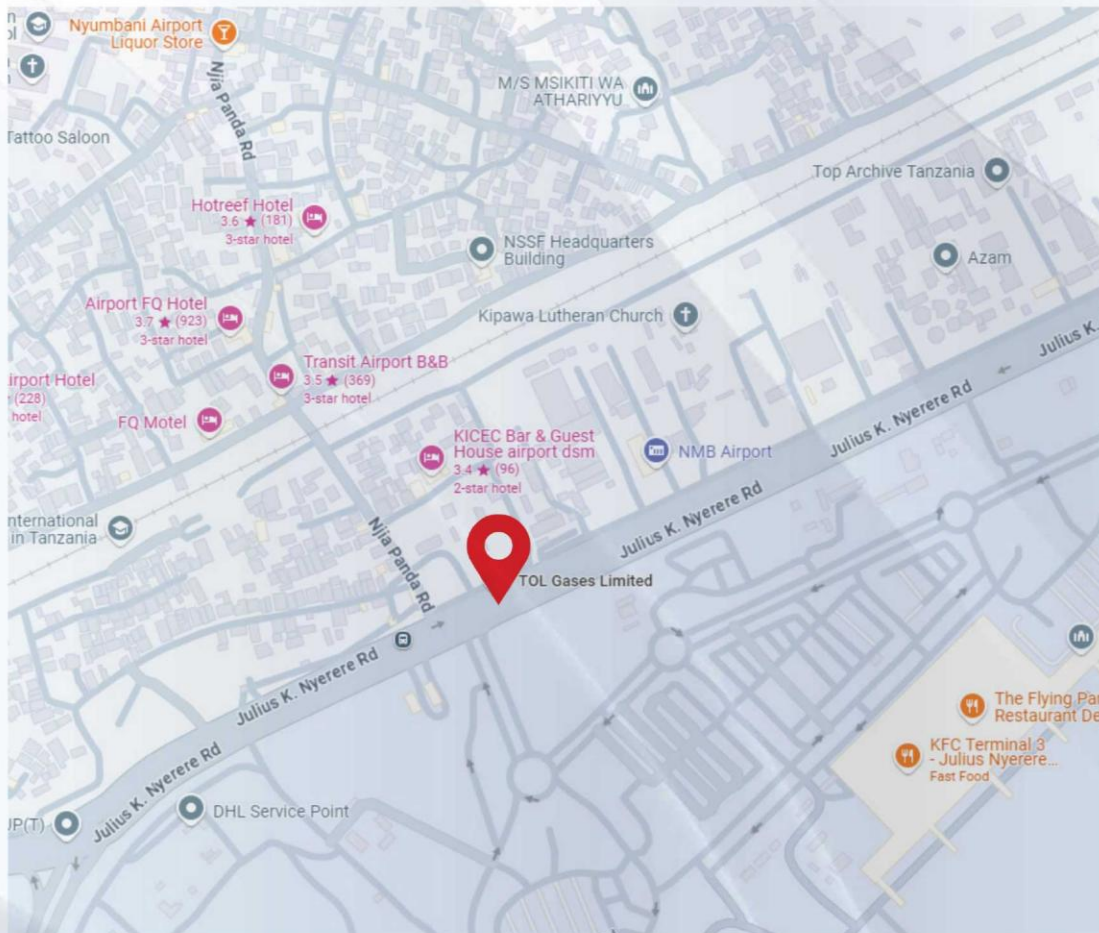
I/We _____ of P.O. Box _____ being a Member/Members of the above-named company, hereby appoint _____ of P.O. Box _____ as my/ our proxy to vote for me/us on my/ our behalf at the 30th Annual General Meeting of TOL Gases PLC to be held on the 22nd August 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025.

This form is to be used in favor of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

TOL GASES PLC
30TH ANNUAL GENERAL MEETING

ANY OTHER BUSINESS



Contact us:

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