

KENYA PIPELINE COMPANY PLC

CAUTIONARY ANNOUNCEMENT

The Board of Directors of Kenya Pipeline Company PLC (the "Company" or "KPC") hereby notifies shareholders, the investing public, and all stakeholders of the following development in the affairs of the Company.

Material Litigation against the Company

Zakhem International Construction (ZIC) has filed a lawsuit against the Company at the High Court of Kenya; Milimani HCCOMM E346 of 2026: Zakhem International Construction Limited vs Kenya Pipeline Company PLC. The suit relates to the contract for Procurement, Construction, Testing and Commissioning of Line 1 Replacement Project (the "Contract"). ZIC alleges that KPC has failed to pay them USD 19,036,187.46 being extension of time claims and USD 65,081,253.70 being interest on delayed payments pursuant to the terms of the Contract. They are therefore seeking to recover a total of USD 84,117,441.16 from the Company.

The Board of Directors (the "Board"), based on the information currently available and the preliminary legal advice it has received from the Company's advocates, is of the view that the Company has credible legal and factual grounds upon which to contest the claim. Consequently, the Company will be defending the proceedings and has instructed its advocates to take appropriate legal measures to safeguard the interests of the Company and its shareholders.

The Company will closely monitor the proceedings and will make further announcements as and when material developments arise, in accordance with applicable law and the NSE Listing Rules.

The Board wishes to assure shareholders, partners, and the investing public that this development does not affect the Company's strategic focus, operational stability, or financial position. The Board and management remain fully committed to delivering long-term value to all stakeholders.

Caution to Shareholders and the Investing Public

Given the nature of the claim and the uncertainties inherent in litigation proceedings, shareholders and investors are advised to exercise caution when dealing in the securities of the Company pending the resolution of the matter and/or the publication of further announcements by the Company.

By Order of the Board



Flora Okoth

General Manager (Legal Services) & Company Secretary

Date: 15th June 2026

Disclaimer: This announcement has been issued with the approval of the Capital Markets Authority ("CMA") pursuant to the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 and the NSE Listing Rules. It should not be construed as an admission of liability, wrongdoing, or indebtedness by the Company. As a matter of policy, CMA assumes no responsibility for the correctness of any statements appearing in this announcement.