BUA CEMENT

BUA CEMENT PLC RC1193879

BEYOND LIMITS

ANNUAL REPORT & ACCOUNTS 2024

About the 2024 BUA Cement Annual Report

Welcome to BUA Cement's 2024 Annual Report, a reflection of our journey **"Beyond Limits"**, a journey defined by resilience, transformation and a steadfast commitment to growth against all odds.

This report presents a comprehensive review of our strategic, operational, financial and sustainability performance over the past year. It is structured around our core pillars of consumer focus, operational excellence, responsible sustainability practices, and sound governance, providing a holistic view of how we are building a future of enduring value.

This year's theme, **" Beyond Limits "** captures more than just the scale of our achievements, it tells a story of how resilience has shaped BUA Cement's identity. From our inception, we faced challenges from, carving out our niche among established market players, integrating merged entities, navigating pandemic induced disruptions and operating amid currency devaluations, supply chain volatility, and broader macroeconomic shifts. Yet, at every point, we adapted, innovated and pressed forward with determination.

2024 stands as a landmark year for BUA Cement, with the successful commissioning of two new production lines in Sokoto and Edo States, adding 6 million metric tonnes per annum, bringing our total installed capacity to 17 million metric tonnes per annum. In addition, we immediately commenced the construction of a new 3 million metric tonnes per annum plant, reinforcing our role as a key driver of industrial growth in Nigeria, and strengthening our position as a leading cement manufacturer in Africa.

Our past Annual report themes tell the story of our evolution. In 2019, our theme was **"Building Communities"** following the merger of Cement Company of Northern Nigeria Plc and Obu Cement Company, focusing on integration and the disruptive positive impact of the enlarged entity on the Country's housing and infrastructure gap. In 2020, **"Expanding Frontiers"** captured our emergence from the merger, consolidating the opportunities and how we overcame the challenges of the COVID-19 pandemic, achieving a remarkable 19.3% revenue growth.

In 2021, we transitioned into a phase of strategic expansion – **"Investing in the Future"**, making investments to enhance our competitiveness and diversify our energy sources. 2022 built on this momentum with **"Sustaining Profitable Growth"** as we navigated supply chain disruptions and its attendant effect on costs. In 2023, as macroeconomic challenges deepened, we responded with agility under the theme **"Reinforcing Purpose"**, ensuring we remained committed to our ethos – creating value.

The challenges of each year fortified us. Each achievement has been hard-earned. Collectively, they laid the foundation for 2024, a year of transformational growth that reflects not just what we achieved, but what we are prepared to overcome in the future.

As we look to the future, we recognise that the path forward will bring new challenges. Evolving regulatory landscapes, continued government reforms, shifting market dynamics, and the need for accelerated sustainability initiatives will continue to test the resilience we have built. However, with the same resolve that has brought us this far, we are preparing to navigate these uncertainties by strengthening our energy self-sufficiency, deepening operational efficiencies, and investing in innovation to lead in a future where adaptability is key.

In this year's report, we have introduced new elements that offer deeper insight into our business, sustainability reporting framework and governance. These include our Business Model, showing how we deliver sustainable value across the value chain and Our Journey, which captures the milestones shaping our growth. In addition, we have taken initial steps toward adopting the IFRS Sustainability Disclosure Standards (S1 & S2), underlining further commitment to global best practices in sustainability reporting.

This report reflects how each step of our journey has brought us closer to our vision of being a cornerstone of Nigeria's development, delivering value to our shareholders, employees, and communities. Together, we are forging a sustainable future, one milestone at a time.

Content

1 Company Overview

07 Company Philosophy
08 Business Model
10 Our Journey
12 Performance Highlights
14 Chairman's Statement
16 Our Locations
18 Chief Executive Officer's Statement

2 Sustainability

22 Approach to Sustainability
23 Environment
30 Social
36 Sustainable Developmental Goals

3 Corporate Governance

41 Corporate Information
42 Corporate Governance Report
50 Board of Directors
56 Management Team
60 Report of the Directors
65 Notice of the 9th Annual General Meeting
66 Risk Management

4 Financial Information

70	Statement of Directors' Responsibilities
71	Statement of Corporate Responsibilities over Financial Reporting
72	Management's Certification on Internal Control over Financial Reporting
74	Management's Annual Assessment of and Report on Internal Control over Financial Reporting
75	Report of the Audit Committee
77	Independent Auditor's Report
81	Independent Practitioner's Report
83	Statement of Profit or Loss and Other Comprehensive Income
84	Statement of Financial Position
85	Statement of Changes in Equity
86	Statement of Cash Flows
88	Notes to the Financial Statements
131	Statement of Value Added
132	Five-Year Financial Summary
133	Share Capital History

5 Shareholder Information

136	Contact Details (Investor Relations, Registrars)
137	E-Dividend Mandate Activation Form
139	Share holders update form
141	Proxy Form
145	De-materialisation Form

Company Overview

01

07	Company Philosophy
08	Business Model
10	Our Journey
12	Performance Highlights
14	Chairman's Statement
16	Our Locations
18	Chief Executive Officer's Statement

Company Philosophy

Our Value Proposition

We are a professional and easy to deal with supplier of premium brand of cement that provides reliable doorstep delivery to its customers and professional application training to the users of cement.

Our Mission

To produce and market high quality cement for national development.

Our Vision

To be a highly competitive market leader in Nigeria.

Our Core Values

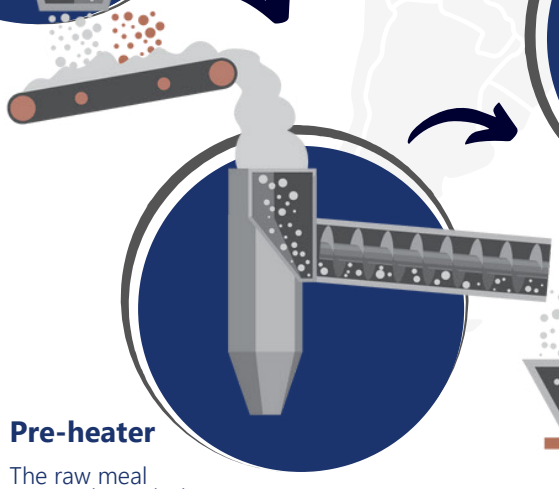
Business Model

Quarry

Our production process starts with the extraction of high-grade limestone from our quarries.

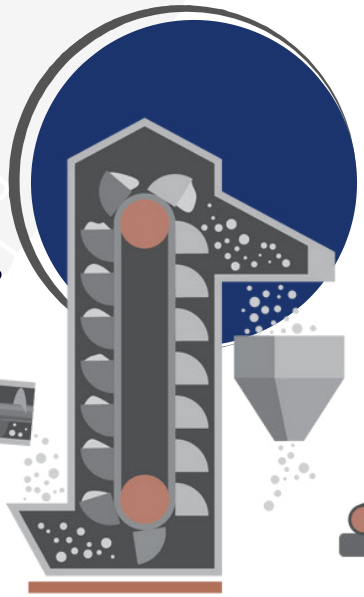
Raw Material Grinding

The extracted limestone is crushed and mixed with other materials to derive the raw meal.



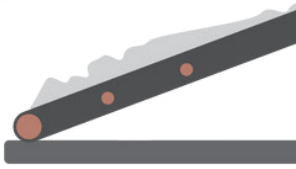
Pre-heater

The raw meal passes through the pre-heater which dries up the moisture content in the raw meal.



Kiln

With temperatures at 1450°C, the raw meal goes through the kiln, binding all the materials together to produce clinker.



6 modern integrated plants constructed in the last 10 years

Over 8000 jobs created

Over ₦5bn spent on Community Development (CSR)

Consumers

Distributors and retailers

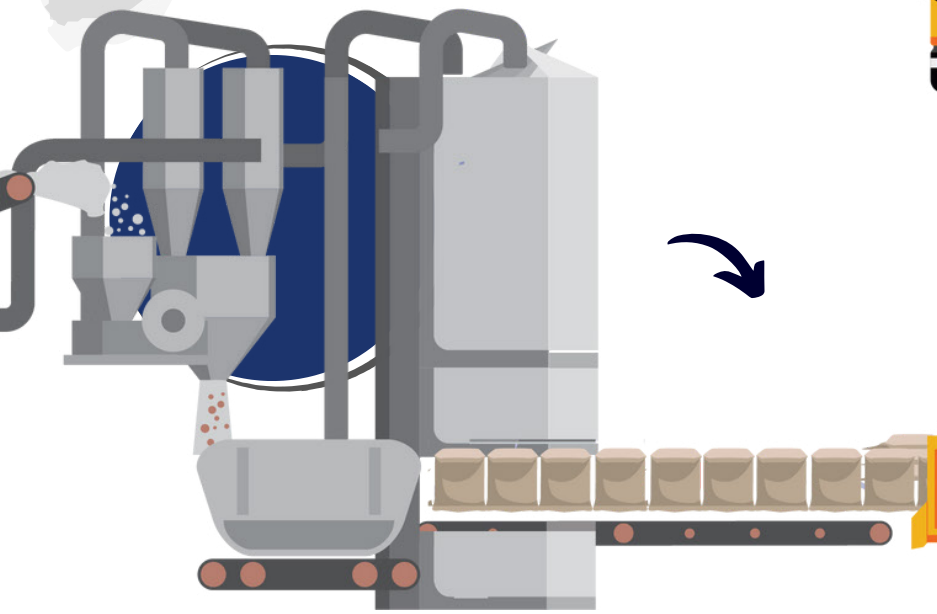
Distribution

The finished product "Cement" is bagged and distributed either via company delivery or self-collection.

Bagging & Trucking

Cement Grinding

The clinker is grinded and mixed with gypsum to produce the final product.



GDP
₦277.7trn

Population
235.1mn

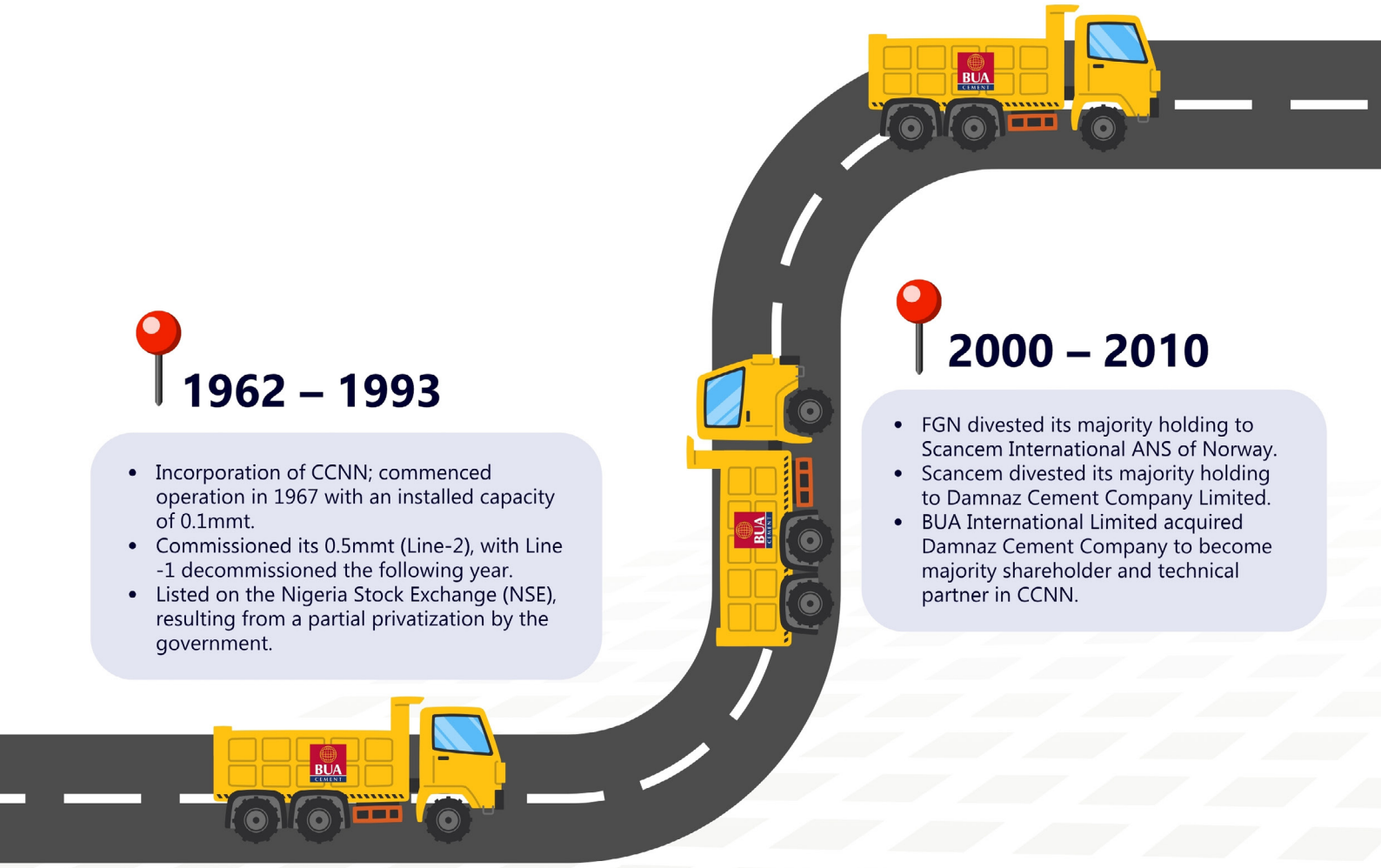
Infrastructure Deficit
3trn

Housing Deficit
28mn housing units

Our Journey

2015 – 2019

- Obu Cement commenced operations with the commissioning of its green field 3mmt line at Okpella, Edo State.
- The 1.5mmt line-3 plant at Kalambaina, Sokoto State commissioned.
- Business combination between CCNN Plc and Kalambaina Cement Company resulted to an installed capacity of 2mmt.
- Commissioned the line-2 3mmt at Okpella, Edo State.
- Completed the merger between CCNN Plc and Obu Cement Company Plc; resulting in the emergence of BUA Cement Plc.

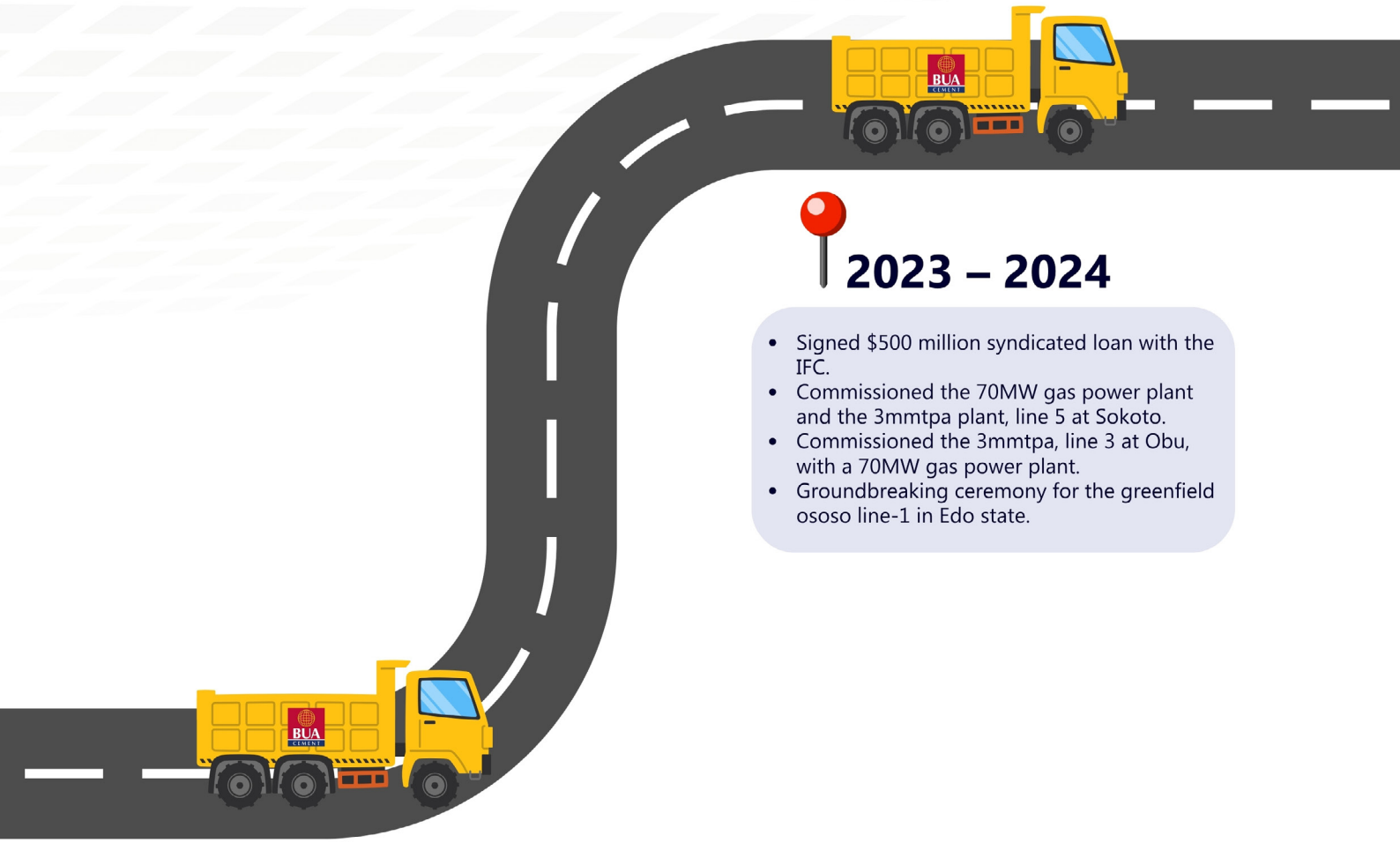


2000 – 2010

- FGN divested its majority holding to Scancem International ANS of Norway.
- Scancem divested its majority holding to Damnaz Cement Company Limited.
- BUA International Limited acquired Damnaz Cement Company to become majority shareholder and technical partner in CCNN.

1962 – 1993

- Incorporation of CCNN; commenced operation in 1967 with an installed capacity of 0.1mmt.
- Commissioned its 0.5mmt (Line-2), with Line -1 decommissioned the following year.
- Listed on the Nigeria Stock Exchange (NSE), resulting from a partial privatization by the government.



2023 – 2024

- Signed $500 million syndicated loan with the IFC.
- Commissioned the 70MW gas power plant and the 3mmtpa plant, line 5 at Sokoto.
- Commissioned the 3mmtpa, line 3 at Obu, with a 70MW gas power plant.
- Groundbreaking ceremony for the greenfield ososo line-1 in Edo state.

2020 – 2022

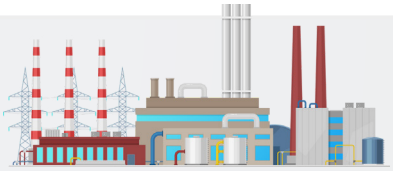
- BUA Cement listed on the Nigeria Stock Exchange and became the 3rd largest company by market capitalisation.
- Included in the MSCI frontier index.
- Issued ₦115billion corporate bond, largest issuance in the history of the debt capital market.
- Commenced LNG use at Sokoto, the largest on-shore LNG regasification facility in Nigeria.
- Installed a 50MW gas powered plant at Sokoto.
- Commissioned the 3mmtpa, line 4 at Sokoto.

2024: Performance Highlights

OPERATIONAL HIGHLIGHTS

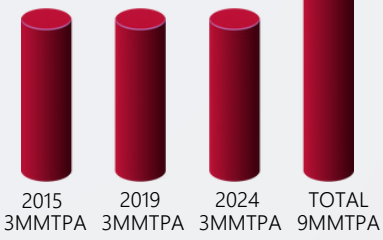
INSTALLED POWER

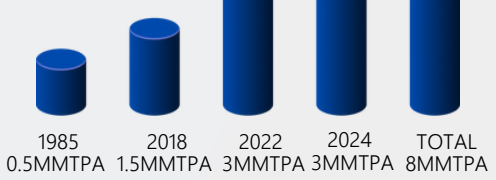
Obu Plant
145 MW
Captive power plant



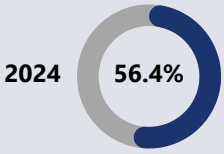
Sokoto Plant
120 MW
Captive power plant

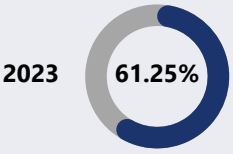
INSTALLED CAPACITY





CAPACITY UTILISATION ATTAINED





VOLUME

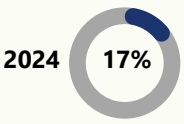
2024
8.2 MMT

2023
6.7 MMT

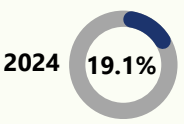
FINANCIAL HIGHLIGHTS

REVENUE	2024 - ₦876.5 billion	2023 - ₦460 billion
EBITDA	2024 - ₦268.6 billion	2023 - ₦186.8 billion
PROFIT BEFORE TAX	2024 - ₦99.6 billion	2023 - ₦67.2 billion
PROFIT AFTER TAX	2024 - ₦73.9 billion	2023 - ₦69.5 billion

Return on Average Asset (ROAA)



Return on Average Equity (ROAE)



2024: Performance Highlights Cont'd.

SUSTAINABILITY HIGHLIGHTS

CIRCULAR ECONOMY

FOCUS

In 2024, we generated 24.3kt of waste, with 99% (2023: 78%) of this waste being non-hazardous in nature.
98% (2023: 50.3%) of this waste was reused or resold, while 0.5% of the waste was used as an alternative energy source.

ENERGY MANAGEMENT

FOCUS

3,362 MJ/t cli
3,206 MJ/t cli (2023)

BIODIVERSITY IMPACTS

FOCUS

Land reclamation
13.4 mmt
11.9 mmt (2023)

Tree planting
720
410 (2023)

WATER MANAGEMENT

116 Lt/ ton Cem prod
126 Lt/ ton Cem prod (2023)

AIR QUALITY

FOCUS

PM: 47 g/ t Cli;
42g/t Cli (2023)

SOx: 6 g/ t Cli;
21g/ t Cli (2023)

NOx: 1,486 g/ t Cli;
1,698g/ t Cli (2023)

GREENHOUSE GAS EMISSIONS (GHG)

FOCUS

669 kg CO2/t Cem Prod
650 kg CO2/t Cem Prod (2023)

COMMUNITY

Bringing positive development to lives in host communities

- Proactive community engagement – 54 (2023: 42)
- Reactive community engagement - 4 (2023:18)
- Local employment made – 596 (2023: 201)
- Local vendor contracted – 17 (2023: 10)
- Social investment expenditure revolving around education, empowerment, infrastructure, health and Water, Sanitation and Hygiene (WASH) increased by 64% resulting in 29 project completions in 2024 (2023: 26).

Chairman's Statement

> *"At BUA Cement, our commitment to robust governance is more than a regulatory obligation, it is the cornerstone of our identity as a public company and a fundamental driver of long-term value creation."*

Dear Esteemed Shareholders,

It gives me great delight to welcome you to the 9th Annual General Meeting of BUA Cement Plc, I am also honoured to present the 2024 Annual Report of our Company.

The year has been one of resilience and strategic progress, further reinforcing BUA Cement's position as a key contributor and trusted stakeholder in Nigeria's cement industry.

The business environment in 2024 was characterised by significant macroeconomic volatility, including the rise in exchange rates, high inflation rate and elevated input costs. Despite these headwinds, BUA Cement remained resolute in its vision and delivered on its commitment to capacity expansion. This enabled us to scale our operations, grow our market share to approximately 26%, and most importantly, preserve shareholder value.

Our progress to date can be largely attributed to the strengthening of our leadership team, improved Board diversity, enhanced compliance practices, and alignment with global sustainability frameworks and international best practices. These key drivers reflect our commitment not just to growth, but to growth that is responsible, inclusive, and sustainable.

Additionally, our transformation is driven by a dedicated team, a clear strategy, and a shared belief that BUA Cement can lead not only in scale, but in value and impact. We are proud of our progress and even more optimistic about the future.

Global and Domestic Environment

Growth across the global economic landscape in 2024 remained stable, yet uninspiring. According to the International Monetary Fund (IMF), global GDP growth slightly declined to 3.2%, down from 3.3% in 2023. This decline was driven by different factors which collectively dampened investment sentiment and cross-border trade. Across Sub-Saharan Africa, economic growth increased, with regional output expanding by 3.8% in 2024 (up from 3.6% in 2023), due to improved policies.

In Nigeria, the operating environment was especially turbulent, driven by the continued depreciation of the Naira, which significantly impacted price levels for both businesses and consumers. Nevertheless, Nigeria's real GDP growth rose to 3.4% in 2024, (up from 2.7% in 2023).

Despite this challenging environment, the Nigerian cement sector showed resilience, supported by sustained demand from private construction and public infrastructure projects. While competition increased due to new capacity and pricing pressures, industry fundamentals remain intact, backed by low per capita cement consumption and a persistent housing and infrastructure gap

Amid these conditions, BUA Cement continued to execute its strategic priorities, leveraging operational discipline and strong brand reputation to sustain growth.

Operational Achievements

In our commitment to ensuring the availability of high-quality cement and contributing meaningfully to closing the housing and infrastructure gap primarily in Nigeria, and in neighbouring countries, we successfully commissioned additional production lines in Edo and Sokoto States. This expansion increased our installed capacity from 11 million to 17 million metric tonnes per annum, further solidifying our position as a dynamic player in Nigeria's cement industry and contributing to our growing market share.

Additionally, we held the ground-breaking ceremony for a greenfield 3 million metric ton per annum plant in Ososo, Edo State. Upon completion, this will bring our total installed capacity to 20 million metric tons per annum by the first quarter of 2027.

We enhanced our logistics infrastructure with the acquisition of additional trucks and introduced a self-service solution that integrates payment and order fulfilment, significantly reducing turnaround time and improving the customer experience.

Chairman's Statement Cont'd.

Despite heightened competition and a dynamic business environment, we remain confident in the superior quality of our product and our deep market insight-key strengths that continue to differentiate us, drive competitive advantage and support our market share growth.

Leadership and Governance

At BUA Cement, our commitment to robust governance is more than a regulatory obligation, it is the cornerstone of our identity as a public company and a fundamental driver of long-term value creation.

In 2024, we undertook significant steps to deepen our governance architecture, ensuring it remains responsive to our strategic ambitions, expansion efforts, and the evolving regulatory landscape.

The Board actively reinforced its leadership role in shaping the Company's strategic direction, setting the tone for excellence, and ensuring oversight in areas critical to our success. Through the Governance, Establishment and Remuneration Committee, significant decisions were made regarding appointments, remuneration and internal structures.

A notable reform during the year was the formal separation of the Internal Audit and Internal Control functions. This move addressed a key governance gap, enabling a sharper focus on risk management, financial accuracy, and operational integrity. With distinct team leads for both functions, the Company is better positioned to implement robust control mechanisms and establish effective checks and balances across its operations.

Building on this commitment to strengthening governance and organisational resilience, the Board approved the engagement of a consultant to conduct a comprehensive review of the Company's Succession Planning Policy and its implementation. This initiative aims to align our succession framework with emerging trends and global best practices. The objectives of the engagement include, evaluating current succession pipeline, identifying potential gaps, and recommending enhancements to strengthen leadership continuity, mitigate key-person risks, and reinforce the Company's long-term strategic goals. This proactive measure further demonstrates the Board's dedication to sustaining a resilient leadership structure and ensuring seamless business continuity across all critical roles.

Our risk governance also evolved in 2024, transiting from a narrow operational view to a broader enterprise-wide risk reporting system, allowing for proactive identification and mitigation of emerging risks. The Risk Management Committee, chaired by a Non-Executive Director, oversees all risk-related matters, with regular updates escalated to the Board along with action plans and designated responsibilities.

Looking ahead, our governance roadmap remains dynamic. We are firmly committed to maintaining transparency in all our engagements with regulators, stakeholders, and shareholders. Our disclosures on the NGX portal, investor calls, and AGM proceedings reflect our belief in open communication and inclusive dialogue.

Financial Performance

BUA Cement delivered strong financial results in 2024, marked by growth in sales, increased earnings, and a strengthened balance sheet and liquidity position. These outcomes underscore the effectiveness of our strategic execution and the resilience of our operations.

Revenue rose by 90.5% to ₦876.5 billion (2023: N460 billion), while EBITDA grew by 43.8% to ₦268.6 billion (2023: N186.8 billion). Net profit before tax rose by 48.2% to ₦99.63 billion (2023: ₦67.2 billion), despite further currency depreciation during the period, which resulted in increased foreign exchange losses of ₦93.9 billion (2023: ₦69.9 billion). BUA Cement's return on average capital employed (ROACE) in 2024 increased to 15% compared to 10% in 2023. Earnings per share increased to ₦2.18 in 2024 from ₦2.05 in 2023, an increase of 6.3%.

This performance was driven by a combination of increased dispatch volumes and prudent pricing strategies, even as the Company absorbed rising input costs.

Cash generation grew significantly, enabling increased capital expenditure financing and supporting our strategic efforts to reduce exposure to foreign currency obligations. This was achieved by paying down import finance facilities and aligning accrued interest payments with available cashflows.

With a proposed dividend of ₦2.05 per share, representing a 94% payout ratio, we continue to demonstrate our strong commitment to shareholder returns, consistently distributing over 90% of our profits. This reflects both our confidence in the business and our sustained financial performance.

Sustainability & Corporate Responsibility

Sustainability is a critical pillar of our corporate strategy. As we expand our operations, we remain committed to minimising environmental impact and promoting responsible business practices.

We continue to align with international ESG standards, following our adoption of the IFC Performance Standards on Environmental and Social Sustainability, and with plans to adopt IFRS S1 and S2 in future sustainability disclosures. Our Environmental and Social Management System (ESMS) along with enhanced compliance programs have become integral to our risk management, investment decisions, and overall operational strategy.

Beyond environmental sustainability, we deepened our investment in community development. In 2024, we expanded our social responsibility programs by enhancing local infrastructure and strengthening educational and healthcare support in underserved communities.

Appreciation

On behalf of the Board, I extend my heartfelt appreciation to our shareholders for their unwavering confidence, our employees for their dedication and hard work, and to our partners and customers for their continued trust and loyalty. Your support fuels our ambition and inspires us to continually strive for excellence.

To my esteemed colleagues on the Board of Directors, I thank you for your invaluable insights, strategic guidance, and steadfast commitment. Together, we remain committed to delivering sustainable growth and long-term value for all stakeholders.

Abdul Samad Rabiu, CON, CFR.
Chairman, Board of Directors BUA Cement Plc

Our Location

Sokoto Plant
Sokoto State

BUA Cement Plc
Corporate Headquarters
Lagos State

Obu
Edo State

Managing Director's Statement

> *"BUA Cement distinguishes itself in the industry through its commitment to sustainability and proactive community engagement. By adhering to rigorous international environmental and social standards, including those set forth by the International Finance Corporation (IFC) and the World Bank, the Company ensures that its activities are conducted responsibly and aligned with global best practice."*

Dear Stakeholders,

On behalf of the Board and Management of BUA Cement Plc, I extend my profound gratitude for your unwavering trust and collaboration in 2024. The year marked another chapter in our journey as a leading quality cement manufacturer, despite the macroeconomic conditions and the change in industry dynamics. Amid these challenges, our commitment to fostering trust and delivering customer satisfaction remained the cornerstone of every decision we made.

During the year, the Nigerian cement industry entered a transformative phase, marked by additional production capacities and the announcement in 2023 by the Federal Government of the use of concrete in road construction. For us, we view the changing landscape as a catalyst for growth and innovation, and in response, we are strengthening our marketing and supply chain strategies and driving further synergistic gains across both plants. Hence, ensuring we meet the diverse needs of this vibrant market, while sustaining our commitment to quality and accessibility.

Key Operational Achievements

In 2024, BUA Cement commissioned two new production lines in Sokoto and Edo States, adding 6 million metric tonnes to our existing capacity, bringing the total installed capacity to 17 million metric tonnes per annum. We also broke ground for a 3 million metric tons per annum cement plant in Ososo, Edo State which will be completed in the first quarter of 2027. These expansions are driven by a need to guarantee consistent product availability, a critical driver of customer confidence.

Furthermore, we took delivery of new trucks, expanding our fleet size to over 3,000 trucks. The continued investment in production capacity and the expansion to our delivery fleet size, has resulted in further market penetration. Notably, our market share grew to approximately 26% from 2%, a decade ago.

By enhancing our supply and delivery infrastructure, we reduced lead times significantly ensuring dealers and end-users uncurtailed access to our premium quality cement.

Financial Performance in 2024

In 2024, we delivered exceptional financial performance, underscoring our resilience, strategic agility, and unwavering commitment to growth in a dynamic economic environment. Our revenue nearly doubled, soaring to ₦876.5 billion, a remarkable 90.5% increase from ₦460 billion in 2023. This topline growth was complemented by strong profitability, with profit before tax rising by 48.2% to ₦99.6 billion (2023: ₦67.2 billion) and profit after tax increasing by 6.3% to ₦73.9 billion, up from ₦69.5 billion in the previous year. These results reflect not only the strength of our operational execution but also the effectiveness of our forward-looking strategies in navigating the complex market conditions.

Speaking of complex market conditions, during the year we encountered a significant headwind which arose from the devaluation of the Naira and its continued depreciation thereafter. As a result, we recorded a foreign exchange loss of ₦92.1 billion, primarily from loans obtained to fund our expansion and growth.

In managing the loss, we paid down on existing obligations and matched accrued interest with cashflows to eliminate further exchange losses.

The positive outcomes from the measures taken are evident, contributing to our financial stability and reinforcing our ability to deliver sustained value.

Digital Transformation for Seamless Customer Experiences

A landmark achievement in 2024 was the launch of the BUA Cement customer app, a revolutionary platform integrating payment processing, order tracking and logistics management. This application was developed in response to customer feedback and since its launch, we have virtually eliminated transaction errors, along with an acceleration in payment confirmations from 2 days to under 5 minutes. Majority of our registered dealers now use the app along with other payment platforms, citing enhanced efficiency and convenience as key satisfaction drivers.

Managing Director's Statement Cont'd.

Strategic Insights

On the 26th of July, we embarked on the groundbreaking ceremony of a new 3 million metric ton green field cement plant at Ososo in Edo State. This latest investment will increase our existing installed capacity from 17mmtpa to 20mmtpa by the first quarter of 2027. Additionally, it underscores our commitment to addressing the substantial infrastructure needs in our home market, especially with the Federal Government's adoption of concrete in road construction; along with our export market, comprising Niger Republic and Burkina Faso.

While exports to Niger Republic have traditionally supplemented our domestic sales, political changes and border closures in 2023 reduced our export volume to less than 1% of total cement dispatch in 2024. This temporary constraint reinforced our focus on deepening penetration in our domestic markets.

Effective cost management and operational efficiency are critical to maintaining competitive advantage. To this end, BUA Group is building a 700 tons per day LNG regasification plant to support our energy needs and ensure guaranteed supply. We further diversified our energy sources in Edo by the introduction of solid fuel for the kilns.

Additionally, we renegotiated existing service contracts in favour of more local content, as we reduce our exposure to foreign contracts and drive down the cost to operate, amid the volatile foreign exchange environment.

Sustainability remains at the core of our operations and by further prioritising clean energy sources, innovative technologies, and resource-efficient practices, we are reducing emissions and minimising our environmental footprint. These efforts align with global standards and demonstrate our resolve to lead responsibly, ensuring today's growth safeguards tomorrow's world.

Commitment to Sustainability and Community Engagement

BUA Cement distinguishes itself in the industry through its commitment to sustainability and proactive community engagement. By adhering to rigorous international environmental and social standards, including those set forth by the International Finance Corporation (IFC) and the World Bank, the Company ensures that its activities are conducted responsibly and aligned with global best practice.

The Company actively implements community programs that reflect its dedication to social responsibility. For instance, BUA Cement has taken significant steps to enhance clean water accessibility by commissioning solar-powered boreholes in underserved areas; awarded scholarship grants annually to new and existing scholarship recipients and provided resources and funds to schools, helping to improve infrastructure and learning.

Additionally, BUA Cement offers healthcare support initiatives through its partnerships with primary healthcare centres. Through these targeted actions, BUA Cement contributes to the overall development of the communities it operates in and demonstrates a deep-rooted commitment to social responsibility.

Driving Forces Behind Our Performance

BUA Cement's strong leadership and diverse workforce provide the varied perspectives needed to anticipate and meet customer demands effectively. This is the cornerstone of our success. The strategic guidance of our Board and the collective expertise across our team have enabled us to navigate challenges and seize opportunities. Our research-driven approach to every facet of our operations has positioned BUA Cement as a trailblazer in the Nigerian cement industry.

The Board's emphasis on ethics and governance permeates every operational layer. In 2024, we achieved 100% compliance with ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) recertifications, underscoring our commitment to sustainable practices. This commitment to excellence differentiates our activities and establishes new benchmarks for quality and customer trust in our sector.

Shaping Our Future: 2025

As we reflect on our achievements in 2024, BUA Cement stands at the threshold of unprecedented opportunity, strategically positioned to address Nigeria's persistent infrastructure deficit while delivering exceptional value to our shareholders.

Our journey forward is anchored on four interconnected priorities that will define our success: optimise our production capacity, continue prudent debt management, expand our market presence in underserved regions, and embrace digital transformation across our operations.

The path ahead demands both courage and discipline as we navigate market challenges while seizing emerging opportunities. The new production lines will serve as the foundation of our growth strategy, allowing us to meet the increasing demand for quality cement products across Nigeria and neighbouring countries.

Through enhanced distribution networks and customer-centric innovations, we will not only strengthen our market position but also contribute meaningfully to Nigeria's infrastructure development agenda. I am confident that with continued dedication of our talented team and support of our stakeholders, we will solidify our position as the preferred cement company, delivering sustainable growth and creating lasting value for all our stakeholders in 2025 and beyond.

> ***"Optimise our production capacity, continue prudent debt management, expand our market presence in underserved regions, and embrace digital transformation across our operations."***

Closing Remarks

To our shareholders, your trust in our vision fuels our ambition. To our employees, your dedication turns challenges into triumphs. To our customers, your loyalty inspires us to innovate relentlessly.

As we navigate the future, BUA Cement remains anchored to the RICE values – Respect, Integrity, Commitment and Excellence. These principles, mirrored in every bag of cement we produce, ensure that trust is not just a promise but a measurable outcome. Together, we will continue setting the standard for excellence in Nigeria's cement industry and beyond.

Thank you.

Yusuf Binji
Managing Director/Chief Executive Officer

BUA
CEMENT
BUA CEMENT
BUA
CEMENT
PORTLAND LIMESTONE
CEMENT
Weight 50 ± 1kg
Caution:
Use protective equipment while handling
"Store in a safe dry place."
Manufactured by
OBU CEMENT COMPANY LTD.
NIS 444-1-2018 CEM II A-L 42.5N
KM 164, Benin-Okene Express Road, Okpella, Edo State, Nigeria
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SOKOTO CEMENT
Weight 50 +_1kg
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BUA
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KM 10, Kalambaina Road, Sokoto, Nigeria
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Sustainability

22	Approach to Sustainability
23	Environment
30	Social
36	Sustainable Developmental Goals

02

Approach to Sustainability

BUA Cement remains steadfast in its commitment to sustainability as a core business principle, integrating environmental stewardship, social impact, and responsible resource management across all facets of its operations. Recognising that business prosperity is intrinsically linked to the well-being of the environment and communities, BUA Cement continues to implement innovative solutions, ensuring lasting benefits for both people and the planet.

Strengthening Environmental Resilience and Carbon Mitigation

Inspired by the resilience and ecological significance of Africa's Mangrove forests, BUA Cement is committed to fortifying its environmental impact through large-scale afforestation, quarry rehabilitation, and carbon sequestration efforts. In 2024, the Company intensified its tree-planting campaigns, planting 720 trees within its facilities and 650 trees in host communities, a 225% increase in community afforestation efforts compared to 2023. Additionally, over 111,000 square meters of quarry land has been reclaimed, including the full restoration of the Oroji farm pit, reinforcing the Company's approach to ecosystem conservation and sustainable land management.

These efforts are further strengthened by the planned implementation of a Biodiversity Management Plan, embedded within BUA Cement's Environmental and Social Action Plan (ESAP). This plan signifies the Company's long-term intent to not only maintain but also improve biodiversity impact, ensuring continuous advancements in habitat restoration, carbon sequestration, and ecological resilience.

Driving Social Investment and Community Development

BUA Cement remains committed to empowering local communities, ensuring that social investment aligns with fundamental needs in education, health, infrastructure, and WASH (Water, Sanitation, and Hygiene). In 2024, social investment expenditures increased by 64%, enabling the completion of 29 community projects, a 12% growth over 2023. Notably, investments in WASH surged by 333%, reinforcing the Company's dedication to clean water access and sanitation improvements.

Acknowledging the importance of stakeholder engagement, BUA Cement continues to prioritise community dialogue and social inclusion, evidenced by the 93% proactive stakeholder engagement rate, a substantial improvement from 70% in 2023. This reinforces the Company's approach to collaborative decision-making and early issue resolution, ensuring that community grievances, including concerns related to land, traffic, and social investments, are effectively addressed.

Circular Economy and Waste Management Innovations

BUA Cement remains at the forefront of waste repurposing and circular economy principles, ensuring that waste materials are diverted from landfills and reintroduced into economic cycles. In 2024, 99% of generated waste was non-hazardous, and an impressive 98% was successfully diverted from landfills through reuse and resale initiatives, a 95% increase from 2023.

Additionally, the Company continues to innovate with protective gear recycling programs, repurposing 1,222 damaged chest aprons to produce 1,012 new arm protectors, reinforcing its commitment to minimising waste and conserving raw materials. To further strengthen circular economy strategies, BUA Cement is advancing the implementation of comprehensive waste management frameworks, including a Solid Waste Management Plan, Hazardous Materials Management Plan, and Pollution Prevention and Spill Response Plan, all embedded within its ESMS (Environmental and Social Management System).

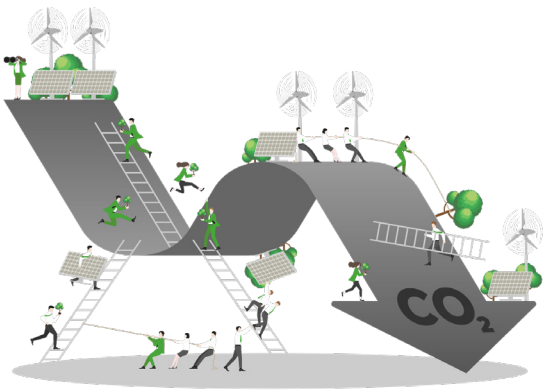
Energy Efficiency and Carbon Reduction Strategies

BUA Cement acknowledges that cement production is energy-intensive, with total energy consumption increasing by 27% in 2024, primarily due to the commissioning of Line 5 and operational expansions. However, even amidst production growth, the Company has successfully optimised fuel consumption, ensuring that LPFO was not used for hot gas generation in the raw mill, thereby reducing unnecessary energy demands.

To drive decarbonisation and long-term energy efficiency, BUA Cement is pursuing the full-phase implementation of its GHG Emissions Reduction Plan, part of BUA Cement's ESAP, reinforcing its commitment to target-setting and emissions reduction initiatives.

Commitment to Continuous Improvement and Industry Leadership

BUA Cement's approach to sustainability goes beyond compliance, embedding environmental, social, and governance (ESG) principles into its business strategy. With the phased implementation of environmental frameworks, including its GHG Emissions Reduction Plan, Biodiversity Management Plan, and Resource & Energy Efficiency Management Plan, BUA Cement remains steadfast in its mission to advance sustainable practices, enhance community partnerships, and drive industry leadership in ESG excellence.



A. Environment

Greenhouse Gas Emissions (GHG)

BUA Cement remains committed to scientifically driven emissions management, with 2024 marking a period of expanded production and evolving carbon mitigation strategies. The reporting period reflects both growth and the continued challenge of reducing GHG emissions, which is being strategically addressed through targeted decarbonisation efforts and long-term sustainability commitments.

GHG - Absolute and Net Emission	2024	2023
Absolute Gross Scope 1 Emission including Emission from PG [million metric tonnes CO2]	6.48	5.10
Absolute Gross Scope 1 Emission [million metric tonnes CO2]	6.01	4.69
Absolute Net Scope 1 Emission [million metric tonnes CO2]	6.01	4.69
Percentage covered under emissions-limiting regulations [%]	-	-
Emission from PG[1] [million metric tonnes CO2]	0.48	0.41
Absolute Gross Scope 2 Emission [million metric tonnes CO2]	0.00170	0.00165
GHG - Specific Absolute and Net Emission	2024	2023
Specific Gross Scope 1 Emission [kg CO2/t cem prod]	669	650
Specific Net Scope 1 Emission [kg CO2/t cem prod]	669	650
Specific Gross Scope 2 Emission [kg CO2/t cem prod]	0.19	0.23

*PG - Separate onsite power generation

The increase in Absolute Gross Scope 1 Emissions, which rose by 27% from 5.10 million metric tonnes CO_2 in 2023 to 6.48 million metric tonnes CO_2 in 2024, was primarily influenced by production expansion. With the coming up of Line 5, cementitious product output grew by 24%, rising from 7.21 million metric tonnes in 2023 to 8.97 million metric tonnes in 2024. This operational scale-up, while critical for business growth, reinforces the necessity of accelerated carbon mitigation strategies to counterbalance emissions increases.

While PG emissions rose by 17% also due to business expansion with addition of 70 megawatts captive power plant, Scope 2 emissions remained relatively stable with only a 3% increase, indicating steady management of electricity-related emissions. Also, Specific Gross Scope 2 Emissions declined by 17%, reflecting incremental gains in internal energy efficiency and reinforcing the value of BUA Cement's strategic optimisation efforts.

BUA Cement aligns its emissions reporting practices with global best standards, utilising the Global Cement and Concrete Association's (GCCA) "Getting the Numbers Right" (GNR) protocol, version 3.2. The Company applies the Output Method (B1), also known as the Simple Output Method, ensuring robust quantification of pyro-processing emissions, particularly in instances where industry-specific factors require standardised methodologies.

To drive carbon footprint reduction in the coming years, BUA Cement is prioritising a suite of sustainable initiatives, including:

- Expansion of Low-Carbon Fuel Consumption: The ongoing consideration for construction of a Regasification Plant will enable an expanded Liquefied Natural Gas (LNG) transition, minimising dependency on high-carbon fuels while enhancing operational efficiency.
- Transition to Renewable Energy: The planned installation of 20MW solar panels, comprising over 4,000 photovoltaic solar systems, will provide alternative energy sources, reducing hydrocarbon reliance and supporting the clean energy transition.
- Optimisation of Cement Clinker Consumption: A focused initiative will reduce clinker factors, enhancing material efficiency while lowering production-related CO_2 emissions.

These initiatives will be further strengthened by the full-phase implementation of BUA Cement's GHG Emissions Reduction Plan, embedded within its ESAP. This structured approach reinforces long-term emissions reduction targets, ensuring progressive improvements in carbon performance through strategic target-setting, continual tracking, and operational refinements.

BUA Cement remains fully dedicated to balancing business growth with sustainability priorities, ensuring that climate-conscious industrial innovation continues to shape its long-term decarbonisation trajectory.

Climate Mitigation Initiatives: Capacity Building for Advanced GHG Management

Recognising the critical role of greenhouse gas (GHG) management in sustainability, BUA Cement prioritised capacity building to enhance internal expertise in GHG and energy accounting and reporting. In late 2024, BUA Cement successfully certified four specialists in advanced GHG management through a four-day expert-led training program conducted by the GCCA in partnership with the European Cement Research Academy (ECRA) in Düsseldorf, Germany. This intensive program equipped the team with industry-leading methodologies, ensuring compliance with global sustainability standards and enabling more accurate carbon reporting and reduction strategies.

A. Environment (Cont'd.)

BUA Cement and GCCA team with some other participants at the Co2 energy protocol training in Dusseldorf Germany.

Energy Management

BUA Cement remains committed to enhancing energy efficiency and sustainability, with the 2024 reporting period reflecting operational growth, challenges and strategic refinements in energy optimisation. Cement production is inherently energy-intensive, and the increase in energy consumption was influenced by multiple factors, including production expansion and operational adjustments. Despite these challenges, BUA Cement successfully implemented targeted optimisation strategies, ensuring that energy use remained as efficient as possible.

Energy Management - Absolute Consumption	2024	2023
Total Energy Consumption - Cement Plant [TJ]	34,291	26,984
Total Energy Consumption - Kiln [TJ]	25,359	19,452
Energy Management - Percentage Consumption by Source	2024	2023
% Coal Consumed	36%	27%
% LPFO Consumed	2%	5%
% Diesel Consumed	2%	2%
% Natural Gas Consumed	60%	66%
% Waste Oil Consumed	0%	0%
% Grid Electricity Consumed	0.0%	0.1%
% Renewable	0%	0%
Energy Management - Specific Consumption	2024	2023
SHC of clinker production [MJ/t cli]	3,362	3,206

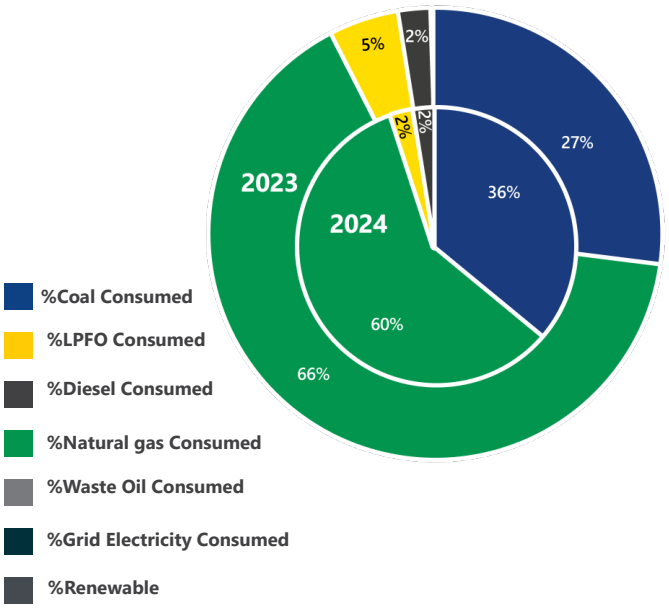
Total energy consumption at cement plants increased by 27%, rising from 26,984 TJ in 2023 to 34,291 TJ in 2024, driven in large part by the operationalisation of Line 5, contributing to a 24% increase in cementitious product output from 7.21 million metric tonnes in 2023 to 8.97 million metric tonnes in 2024. Additionally, the expansion of power infrastructure, including the coming up of a 70MW power plant, resulted in increased overall energy consumption.

Beyond production expansion, kiln shutdowns and maintenance activities also contributed to the higher energy consumption figures, as periodic servicing requires adjustments in fuel and energy utilisation. However, amidst these challenges, BUA Cement successfully optimised its energy strategy, ensuring that excess energy usage was avoided wherever possible.

A. Environment (Cont'd.)

A key aspect of this optimisation was the Company's refusal to increase LPFO consumption for hot gas generation in the raw mill. While LPFO consumption decreased by 58%, BUA Cement leveraged alternative efficiencies, ensuring that energy demands were met without resorting to higher-carbon fuels. Additionally, diesel consumption decreased by 30%, reinforcing the Company's effort to reduce reliance on carbon-intensive fuel sources.

%Energy Consumption by Source



Even at the current operational state, BUA Cement continues to prioritise low-carbon fuel strategies, with LNG serving as the cornerstone of its energy framework. Although natural gas consumption decreased slightly by 8%, the Company remains focused on expanding LNG usage through key infrastructure developments.

Looking ahead, BUA Cement is implementing a suite of sustainable energy initiatives to further mitigate its carbon footprint: expansion of low-carbon fuel consumption and transition to renewable energy. These initiatives will be further strengthened by the full-fledge implementation of BUA Cement's comprehensive Resource and Energy Efficiency Management Plan, embedded within its ESAP. The planned structured rollout of this plan will ensure progressive improvements in energy optimisation, fuel efficiency, and emissions reduction strategies in the coming years.

By integrating sustainable energy management practices and strategic operational enhancements, BUA Cement is reinforcing its long-term commitment to environmental stewardship, carbon reduction, and becoming one of the industrial leaders in sustainability.

Air Quality

BUA Cement remains steadfast in its commitment to air quality management and emissions reduction, ensuring that environmental stewardship and regulatory compliance remain central to its sustainability framework. The 2024 reporting period has demonstrated progress in certain emission control areas, while also highlighting areas for continued optimisation.

Air Quality - Absolute Group 1 Emission	2024	2023
PM [tonnes]	188	144
SOx [tonnes]	25	71
NOx [tonnes]	5,955	5,754
Air Quality - Specific Group 1 Emission	**2024**	**2023**
PM [g/ tonne Cli]	47	42
SOx [g/ tonne Cli]	6	21
NOx [g/ tonne Cli]	1,486	1,698
Air Quality - Group 1 Emission Coverage Rate	**2024**	**2023**
Overall coverage rate [%]	53%	56%

A notable achievement is the 65% reduction in sulfur oxides (SOx) emissions, decreasing from 71 tonnes in 2023 to 25 tonnes in 2024. This significant decline underscores the effectiveness of BUA Cement's process optimisation strategies, including fuel refinement and improved kiln combustion efficiency. Additionally, nitrogen oxides (NOx) emissions saw a marginal increase of 4%, reaching 5,955 tonnes, necessitating continued focus on mitigation solution, such as improved process control mechanisms.

Conversely, particulate matter (PM) emissions increased by 31%, rising from 144 tonnes in 2023 to 188 tonnes in 2024. This increase is largely attributable to expanded production activities associated with the commissioning of Line 5, which saw a 24% increase in cementitious output. Nonetheless, BUA Cement remains committed to reducing PM emissions, reinforcing dust control measures and enhancing filtration systems across operational sites.

Examining specific emissions per tonne of clinker, PM emissions increased by 12%, rising from 42 g/t clinker in 2023 to 47 g/t clinker in 2024, indicating the need for further refining dust control protocols. Meanwhile, NOx-specific emissions decreased by 12%, reflecting efficiency improvements in combustion. SOx-specific emissions fell sharply by 70%, reinforcing the success of BUA Cement's fuel optimisation strategies.

A. Environment (Cont'd.)

Air Quality Cont'd.

While BUA Cement maintains active monitoring of its air quality parameters, the overall emissions monitoring coverage rate declined slightly from 56% in 2023 to 53% in 2024, underscoring the need to expand continuous emissions surveillance and data accuracy. This challenge will be addressed through the full-scale implementation of the Continuous Emission Monitoring System (CEMS), a critical component of BUA Cement's ESAP.

To ensure optimal operation and reliability of the CEMS, BUA Cement is also planning the implementation of Relative Accuracy Test Audits (RATA) in the coming year. RATA is a key validation tool that ensures the calibration, accuracy, and operational efficiency of emissions monitoring equipment by comparing CEMS measurements against independent reference methods. By conducting periodic RATA assessments, BUA Cement will:

- Confirm compliance with industry standards and regulatory expectations.
- Improve data reliability for emissions reporting and reduction strategies.
- Identify calibration adjustments needed to optimise system performance.
- Ensure real-time monitoring precision, enabling more effective air quality management.

These initiatives will be further strengthened by the institutionalisation of BUA Cement's Air Quality Management Plan, embedded within its ESMS. This structured approach ensures that air quality mitigation efforts remain scientifically robust, operationally effective, and aligned with global sustainability benchmarks.

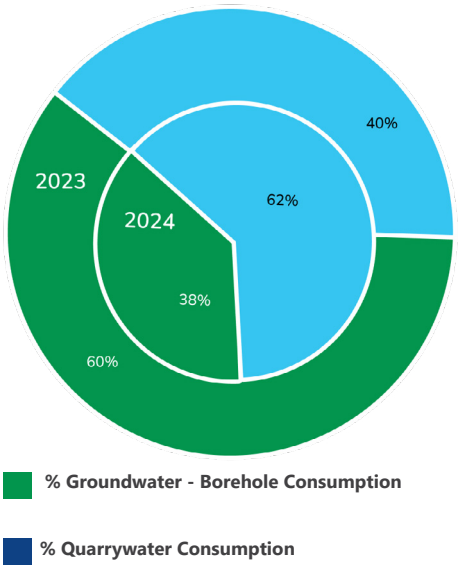
By integrating continuous monitoring systems, process enhancements, and emissions validation frameworks, BUA Cement remains committed to achieving industry-leading air quality performance, reinforcing its role as a sustainability leader in the cement sector.

Water Management

BUA Cement remains dedicated to sustainable water management, reinforcing its commitment to resource efficiency, conservation, and responsible usage. As water scarcity continues to pose global environmental challenges, the Company has strengthened its strategies to ensure balanced water consumption, while reducing reliance on freshwater sources.

Water Management	2024	2023
Total water withdrawn (million cubic metres)	1.04	0.91
Total water consumed (million cubic metres)	1.04	0.91
% Groundwater - Borehole Consumption	34%	55%
% Quarry Water Consumption	66%	45%
% Water Recycled	4%	3%
Specific Water Consumption [Ltrs/ tonne cem prod]	116	126

Water Consumed by Source



In 2024, total water withdrawn and consumed increased by 14%, rising from 0.91 million cubic meters in 2023 to 1.04 million cubic meters. This increase correlates with increased accounting, enhanced fugitive dust suppression and growth, necessitating heightened water usage. However, through targeted optimisation efforts, BUA Cement has managed to improve efficiency, reflected in the 8% reduction in specific water consumption, which dropped from 126 liters per tonne of cementitious product in 2023 to 116 liters in 2024.

A notable shift in water sourcing was observed during the reporting period. Groundwater extraction via boreholes decreased by 39%, dropping from 55% in 2023 to 34% in 2024, signifying reduced dependency on groundwater reserves. This transition was influenced by an expanded quarry dewatering initiative, which enabled a 47% increase in quarry water usage, rising from 45% in 2023 to 66% in 2024. The repurposing of quarry pits into reservoirs for collecting rainwater and dewatering output has proven to be a high-impact sustainability intervention, aligning with best practices in industrial water conservation.

Additionally, BUA Cement has expanded its water recycling program, with the percentage of recycled water increasing by 27%, moving from 3% in 2023 to 4% in 2024. This improvement reflects the company's progressive commitment to circular resource utilisation, reinforcing its broader environmental stewardship agenda.

Beyond these advancements, BUA Cement's long-term approach to sustainable water management is being solidified through the planned implementation of a Water Management Plan under its ESAP. This framework will drive systemic improvements in water efficiency, enhance reclamation projects, and support ambitious conservation targets, ensuring continuous progress in BUA Cement's water performance metrics.

Looking ahead, BUA Cement will continue to prioritise water conservation through enhanced recycling processes, optimised sourcing strategies, and sustainable usage practices, ensuring that its operations remain aligned with global environmental goals while making a meaningful contribution to preserving essential water reserves.

A. Environment (Cont'd.)

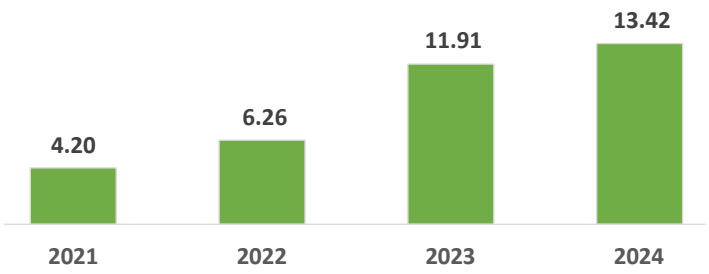
Biodiversity Impacts

BUA Cement continues to advance its biodiversity and ecosystem restoration initiatives, with 2024 reflecting significant progress in afforestation, carbon sequestration, and quarry land reclamation. Through targeted tree planting campaigns and dedicated ecosystem management efforts, the Company is reinforcing its commitment to environmental resilience and long-term sustainability.

Biodiversity Impact	2024	2023
Quarry Land Reclamation (million metric tonnes)	13.42	11.91
Planted Trees	720	410
Planted Trees (Within host communities)	650	200
% Planted Trees within Host Communities	90.3%	48.8%
Planted Eco-Bloomer (flower)	100	700

A notable milestone achieved during the reporting period was the reclamation of over 111,000 square meters of land, including the full rehabilitation of the Oroji farm pit I in Sokoto plant. This underscores BUA Cement's dedication to responsible land use, ensuring that previously disturbed areas undergo structured restoration that supports ecological integrity. The Company's quarry land reclamation efforts saw a 13% increase, with a total of 13.42 million metric tonnes restored, reflecting the effectiveness of its sustainable resource management approach.

Quarry Land Reclamation (million metric tonnes)



Afforestation efforts have significantly expanded, with 720 trees planted in 2024, representing a 76% increase compared to 2023. This growth was particularly pronounced within host communities, where tree planting surged by 225%, rising from 200 trees in 2023 to 650 in 2024. This reforestation strategy not only enhances local ecosystems but also strengthens BUA Cement's community-driven sustainability approach, ensuring that environmental benefits are shared beyond Company facilities. The proportion of trees planted within host communities increased from 48.8% in 2023 to 90.3% in 2024, further underscoring the Company's deepening engagement in ecological conservation.

While the number of eco-bloomer plants (yellow bushes) declined from 700 in 2023 to 100 in 2024, this shift is in line with a refined afforestation strategy, prioritising targeted high-impact carbon sequestration initiatives. Yellow bushes, like many plants, play a critical role in absorbing atmospheric carbon dioxide, contributing to climate change mitigation while also serving as a natural habitat for pollinators and other wildlife.

A. Environment (Cont'd.)

Biodiversity Impacts Cont'd.

Further solidifying its commitment to biodiversity, BUA Cement is preparing to implement a Biodiversity Management Plan within its ESMS, as part of the ESAP. This initiative signals the Company's intent not only to sustain but also to enhance biodiversity impact, ensuring continuous progress in ecosystem restoration and conservation. By embedding biodiversity protection into its long-term sustainability strategy, BUA Cement is reinforcing its corporate responsibility toward environmental stewardship and natural resource preservation.

Looking ahead, BUA Cement will continue expanding its afforestation projects, optimising carbon sequestration strategies, and strengthening biodiversity management frameworks, further integrating environmental sustainability into its operational blueprint. These efforts underscore its commitment to long-term ecological resilience and sustainable development.

Circular Economy (Waste management)

BUA Cement remains at the forefront of circular economy and waste management, continuously refining its strategies for waste reduction, repurposing, and sustainable resource utilisation. The 2024 reporting period has demonstrated remarkable advancements, particularly in waste diversion, non-hazardous waste classification, and innovative reuse initiatives.

Circular Economy & Waste Management	2024	2023
Waste Generated [ktonnes]	24.31	4.84
% of Generated Non-Hazardous Waste	99%	78%
% Diverted from landfill through Reuse & Resale	98.0%	50.3%
% Use as Alternative Energy Source	0.5%	6.1%
Circularly Produced Arm Protector [unit]	1,012	650

Total waste generation increased significantly, rising by 402% from 4.84 kilotonnes in 2023 to 24.31 kilotonnes in 2024. This surge reflects operational growth and production expansion but more importantly, the improved scope of waste tracking and reporting under enhanced data collection frameworks. Encouragingly, 99% of generated waste was classified as non-hazardous, marking a 26% increase from 78% in 2023. This highlights BUA Cement's continued commitment to responsible manufacturing processes, reducing hazardous waste exposure across operations.

A core strength of BUA Cement's waste management approach is its R2 (Reuse and Resale) initiative, which aligns seamlessly with circular economy principles. Through diligent sorting and processing, 98% of total waste was diverted from landfills, reflecting a 95% increase from 2023 levels. This achievement reinforces the Company's proactive stance in reducing environmental burdens, ensuring that waste materials are repurposed and reintroduced into the economy.

Despite these successes, the percentage of waste utilised for alternative energy dropped by 92%, declining from 6.1% in 2023 to 0.5% in 2024. This decline signals the need for strategic realignment in waste-to-energy initiatives, ensuring optimal resource efficiency and alignment with energy transition goals.

Beyond large-scale waste reduction efforts, BUA Cement remains innovative in resource repurposing, particularly within protective gear recycling programs. In 2024, 1,222 damaged chest aprons were successfully repurposed, resulting in the production of 1,012 new arm protectors, marking a 56% increase from 2023. This initiative not only reduces landfill dependency but also conserves raw materials, reinforcing operational sustainability.

Looking ahead, BUA Cement will further strengthen its waste management strategy through the phased implementation of key environmental management frameworks under its ESMS, embedded within its ESAP. Planned documents include:

- Solid Waste Management Plan: Establishing structured waste sorting, disposal, and recovery frameworks.
- Hazardous Materials Management Plan: Reinforcing compliance and environmental risk mitigation protocols.
- Pollution Prevention and Spill Response Plan: Enhancing response measures for industrial byproduct management.

These initiatives underscore BUA Cement's commitment to circular economy leadership, ensuring that its operations maximise resource efficiency, minimise waste generation, and contribute to industry-wide sustainability benchmarks.

A. Environment (Cont'd.)

BUA Cement WED 2024: Driving Land Restoration, Desertification, and Drought Resilience with Community Participation

BUA Cement proudly reaffirms its commitment to environmental sustainability through the strategic observance of World Environment Day (WED) 2024, themed "Land Restoration, Desertification, and Drought Resilience." Understanding the delicate balance required for effective land restoration, our approach this year was both calculated and impactful.

We initiated our campaign by planting 20 carefully selected trees within one of our plants, ensuring their seamless survival amid varying rainfall patterns. This methodical effort exemplified our dedication to long-term sustainability rather than mere symbolic gestures. Leading by example, our Management Team actively participated in showcasing the importance of reforestation by directly planting the trees within the facility.

Following this pivotal commemoration, we expanded our scope to a broader, more ambitious initiative—planting over 400 trees in our surrounding areas. This expansion included strategic tree-planting collaborations with our host communities, strengthening our partnership with local stakeholders and reinforcing the importance of collective environmental action.

Parallel to our reforestation efforts, we drove a widespread awareness campaign on the critical necessity of land preservation in combating desertification. Through internal and external engagements, we amplified key messages about drought resilience, urging proactive environmental stewardship. Our partnership with the National Environmental Standards and Regulations Enforcement Agency (NESREA) further reinforced this initiative, ensuring that our advocacy efforts aligned with national environmental priorities.

BUA Cement remains steadfast in its environmental leadership, proving that sustainable action goes beyond observance, it requires strategic planning, community involvement, and long-term commitment. As we continue this journey, our efforts will remain centered on fostering a healthier, greener future for generations to come.

B. Social

BUA Cement remains deeply committed to social sustainability, with the 2024 reporting period demonstrating significant progress in proactive engagement, local employment, vendor inclusion, social investment, and community relations, while also revealing key areas for strategic improvement. As part of our ESMS, we have initiated the phased implementation of strategic frameworks that will reinforce our sustainability commitments in the coming years.

Social Metrics	2024	2023
Proactive Stakeholder Engagement	54	42
Reactive Stakeholder Engagement	4	18
Town Hall Meeting	0	2
Community feedbacks	8	14
Social Incident	1	0
Business Disruption from Community	1	5
Local Employment Made	596	201
Local Vendor Contracted	17	10
% Local Vendor Contracted	3%	5%

One of the most critical advancements was the continued shift toward proactive stakeholder engagement, which increased from 70% in 2023 to 93% in 2024, reflecting enhanced dialogue, early issue resolution, and stronger community relations. Reactive engagement declined from 30% to just 7%, demonstrating greater emphasis on pre-emptive strategies to address potential concerns. While overall stakeholder engagement saw a slight decline of 3%, our approach has focused on depth and quality of interactions, ensuring meaningful engagement with local communities, regulators, and industry partners. However, the absence of town hall meetings in 2024 compared to two in 2023 indicates a need for renewed emphasis on direct community engagement platforms.

Community feedback remained an integral part of our engagement strategy, primarily addressing grievances related to social investment, land disputes, traffic gridlock, and property damage within the reporting period. The reduction in recorded complaints by 43% signals that improved communication mechanisms and investment strategies are yielding positive results, though continued focus on responsive and transparent dialogue remains essential.

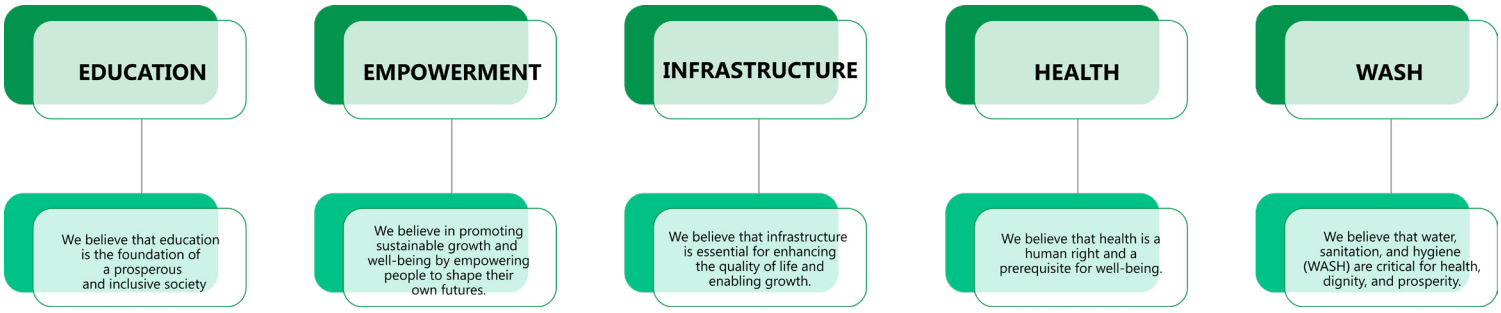
On the social impact front, while there was one recorded social incident, business disruptions caused by community-related issues saw an 80% reduction, dropping from five cases in 2023 to just one in 2024. This reflects a more collaborative approach to problem-solving and improved stability in operational activities. In addition, the progress is supported by the implementation of a suite of strategic documents under our ESMS, notably the Stakeholder Engagement Plan and Community Safety Plan, which establish structured mechanisms for stakeholder collaboration, issue mitigation, and risk management. These frameworks will undergo phased execution, ensuring full integration across all operational sites in the coming years.

B. Social (Cont'd.)

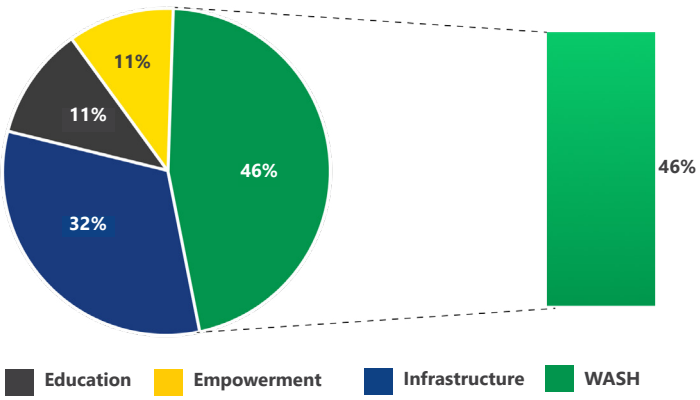
Social Cont'd.

On the economic inclusion front, BUA Cement has significantly increased local employment, with 596 hires in 2024 compared to 201 in 2023, marking an impressive 197% rise. Additionally, local vendor contracting increased by 70%, further strengthening community integration and local economic participation. While the percentage of total vendors represented by local suppliers declined from 5% to 3%, future strategies will focus on expanding opportunities for local businesses, ensuring a more inclusive supply chain.

Our social investment initiatives, structured around five key thematic areas: Education, Empowerment, Infrastructure, Health, and WASH (Water, Sanitation, and Hygiene), have led to a 12% increase in completed projects, rising from 26 in 2023 to 29 in 2024. Correspondingly, investment expenditures surged by 64%, demonstrating a strengthened commitment to community development.



While investments in education declined by 67% and empowerment initiatives dropped by 40%, BUA Cement is actively evaluating strategies to reinvigorate these programs, ensuring that human capital development remains a priority. Infrastructure projects saw a 13% increase, reinforcing the Company's commitment to enhancing community facilities and accessibility. Meanwhile, health investments saw a 100% decline, prompting a reassessment of healthcare initiatives to ensure continued support for community well-being. Notably, WASH investments grew by 333%, underscoring the increased focus on sanitation, clean water access, and improved public hygiene outcomes.



Overall, BUA Cement's 2024 social sustainability performance reflects substantial advancements in proactive engagement, local content development and strategic social investment. The implementation of new governance frameworks, including the Stakeholder Engagement Plan and Community Safety Plan, lays the foundation for a more structured and sustainable approach to community relations, risk management, and long-term impact. As these frameworks continue their phased integration, BUA Cement remains steadfast in its commitment to fostering inclusivity, transparency, and enduring social value.

B. Social (Cont'd.)

BUA Cement 2024 IWD: Championing Inclusion and Empowerment

BUA Cement proudly celebrated International Women's Day (IWD) on March 8th, 2024, under the global theme "Inspire Inclusion." This significant occasion reinforced our commitment to fostering gender diversity, equity, and empowerment in all spheres of life. The celebration began with an opening prayer led by Acting Finance Director, Mr. Sanni Yusuf Olatunji, setting a tone of reflection and gratitude for the day's proceedings.

The event was officially opened by Head of Human Resources, Mohammed A. Wali, who warmly welcomed attendees and underscored the importance of inclusivity. He emphasized that diversity is a strength and unity is a force, reaffirming the necessity of creating spaces where women are equally heard, seen, and empowered to thrive. His message resonated with the overarching goal of ensuring every woman has access to opportunities irrespective of background.

The keynote address was delivered by Haj. Dr. Fatima Ahmad Falaki of the Usman Danfodiyo University Teaching Hospital, a distinguished advocate for women's empowerment and inclusion. Her thought-provoking speech highlighted the significance of gender diversity in the workplace, the challenges women continue to face, and strategic measures to address these barriers. She shared inspiring success stories and real-life initiatives that have propelled women toward professional and personal advancement.

A highly engaging panel discussion followed, where industry experts and thought leaders explored practical strategies for breaking stereotypes, fostering mentorship programs, ensuring equal opportunities, and advocating for inclusive policies in education, politics, and corporate leadership. The discussions provided meaningful insights on empowering women to overcome systemic challenges while driving lasting change in their respective fields.

In recognition of efforts toward female inclusion at BUA Cement, awards were presented to distinguished leaders whose contributions have had a lasting impact. Honourees included the Chairman, the Managing Director, the Plant Director, the Head of Human Resources, the Head of Admin and Corporate Services, and the Legal/Company Secretary. Additionally, honorarium gifts and awards were presented to guest speakers and guests of honour, including Haj. Dr. Fatima Ahmad Falaki (Guest Speaker), Haj. Hadiza Abdulwahab (Commissioner for Women Affairs), and Haj. Hafsat Sahabi Dange (President, Association of Northern Women Entrepreneurs).

The celebration concluded with heartfelt closing remarks from the Principal Manager, Human Resources, who expressed appreciation for the collective efforts in making the event a success. He reiterated the importance of continuous commitment beyond the celebration, highlighting that inclusion must become an integral part of organisational culture.

The day culminated with vibrant networking and socialising activities, fostering connections, knowledge exchange, and collaborations that will further advance the cause of women's empowerment. As an organisation, BUA Cement remains steadfast in championing gender inclusivity and driving meaningful change for a more equitable future.

B. Social (Cont'd.)

BUA Cement 2024 WCD: Honouring Diversity and Unity Through Heritage

BUA Cement proudly commemorated World Cultural Day 2024, an inspiring event that brought together employees from diverse backgrounds to celebrate heritage, foster unity, and promote cultural awareness within the organisation. The occasion was marked by a vibrant showcase of traditions, affirming the richness of diversity as a strength that binds the workforce together.

Employees took great pride in presenting and embracing their cultural identities, with Hausa-Fulani, Kogi, Hausa, Calabar, and other distinct traditions on display. The celebration provided a meaningful opportunity for individuals to share their customs, traditional attire, food, music, and language, allowing colleagues to gain deeper insights into each other's heritage, while fostering mutual respect and understanding.

Beyond the cultural exhibitions, the event served as a platform for reflection on the importance of inclusivity. Employees engaged in discussions that reinforced how embracing diversity strengthens workplaces, enhances collaboration, and creates a more harmonious and productive environment. The atmosphere was filled with appreciation as participants exchanged stories and expressed pride in their cultural identities.

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The celebration concluded with a collective reaffirmation of BUA Cement's commitment to inclusivity and cultural appreciation, ensuring that diversity continues to be celebrated, respected, and embraced within the workplace. As an organisation, BUA Cement recognises that culture shape's identity, fosters unity, and strengthens the fabric of its workforce, making this annual observance a truly impactful and memorable occasion.

Health and Safety

BUA Cement remains deeply committed to fostering a culture of safety, operational integrity, and proactive risk management, ensuring that workplace health and safety remain top priorities across all operations. The 2024 reporting period reflects substantial progress in key safety metrics, underscoring the Company's continued efforts to reinforce safety awareness, reduce incidents, and enhance workforce protection.

Safety Metrics	2024	2023
NM+UC/A[1]	1,136	339
HSE Training	992	698
Staff trained	16,187	13,327
Training hours	2,429.25	555.21
LTI	9	17
LTIFR	0.81	-

[1]Near miss, unsafe condition and unsafe act

A significant development was the 235% increase in reported near misses, unsafe conditions, and unsafe acts (NM+UC/A), rising from 339 cases in 2023 to 1,136 cases in 2024. While this surge may initially appear concerning, it signals an improvement in hazard reporting and safety vigilance, demonstrating that employees are actively identifying and addressing potential risks before they escalate into actual incidents. This heightened awareness is further supported by enhanced training and engagement initiatives, reinforcing a preventative rather than reactive safety approach.

B. Social (Cont'd.)

Health and Safety Cont'd.

In terms of incident frequency, First Aid (FA) cases rose by 58%, necessitating continued focus on workplace hazard elimination and injury prevention programs. However, Medically Treated (MT) incidents saw a dramatic 96% reduction, dropping from 69 cases in 2023 to just 3 cases in 2024, marking a positive shift toward lower severity incidents. Additionally, Restricted Work (RW) cases increased to 2 incidents, highlighting areas for further reinforcement of safety protocols to minimise work limitations following injuries.

Encouragingly, Lost Time Injuries (LTI) decreased by 47%, falling from 17 cases in 2023 to 9 cases in 2024, demonstrating significant advancements in workplace safety measures. The Lost Time Injury Frequency Rate (LTIFR) was recorded at 0.81, reinforcing BUA Cement's commitment to minimising disruptions and ensuring employee well-being.

Beyond incident tracking, BUA Cement has intensified its safety training initiatives, investing in capacity building and safety consciousness across all levels of operations. In 2024, health, safety, and environmental (HSE) training sessions increased by 42%, with a total of 992 structured training programs conducted, up from 698 in 2023. The number of employees trained grew by 21%, reaching 16,187 personnel, ensuring greater workforce coverage and strengthening safety competencies across teams. Additionally, training hours witnessed an exceptional 338% increase, expanding from 555.21 hours in 2023 to 2,429.25 hours in 2024, reflecting BUA Cement's dedication to embedding safety principles through comprehensive education and engagement.

Strategic Safety Advancements and Future Mitigation Plans

BUA Cement is further strengthening its safety management systems through the planned full-phase implementation of its Occupational Health & Safety Management Plan (OHSMP), integrated within its ESMS. To further advance a proactive safety culture, BUA Cement gathered its team, comprising of participants from health, community, safety and environment, production and process, mobile workshop, transport, admin and HR to mention but a few, in December for a two-day working session focused on gap assessments and identifying HCSE priorities. This session led to the development of a final HCSE-Improvement Plan, set for full implementation in 2025. A major objective of this initiative is to shift from a lagging indicator culture, which tracks incidents after they occur, into a proactive safety model that identifies and mitigates risks before they escalate into accidents.

The new proactive safety culture will include, amidst several others:

- Site management tours to evaluate safety performance in real time.
- Tailored site inspections based on comprehensive risk assessments.
- Structured HCSE objectives, ensuring continuous tracking and measurable improvement in workplace safety.

These enhancements will be fully implemented in 2025, reinforcing BUA Cement's leadership in operational safety, hazard prevention, and workforce well-being. Through rigorous safety standards, comprehensive training, and proactive hazard identification, BUA Cement continues to lead the way in workplace safety excellence, ensuring the well-being of its workforce and operational resilience across all sites.

B. Social (Cont'd.)

BUA Cement 2024 World Cancer Day: Raising Awareness

In 2024, BUA Cement observed World Cancer Day. The commemoration served as a powerful reminder of the importance of education, advocacy, and collective action in the fight against this global health challenge.

Employees across various departments participated in informative sessions designed to deepen understanding of cancer prevention, symptoms, and treatment options. Healthcare professionals and cancer awareness advocates led discussions on risk factors, lifestyle adjustments, and the significance of routine medical checkups. These engagements provided essential knowledge, empowering individuals to make informed health decisions.

In addition to knowledge-sharing, the event fostered an environment of compassion and solidarity. Stories of resilience and recovery were shared, highlighting real-life journeys of individuals who have battled cancer. This heartfelt exchange created a sense of community and encouragement, reinforcing the message that no one fights alone.

The commemoration concluded with a collective understanding to continue to create awareness and encourage proactive health measures among employees and their families. By fostering dialogue, spreading awareness, and standing in solidarity, BUA Cement remains committed to playing its part in the global fight against cancer.

Sustainable Development Goals

NO POVERTY

End poverty in all its forms everywhere.

BUA Cement provides employment op-portunities to members of host communities and promotes capacity building programs and grants.

During the year 395 local employment were created within host communities. 17 of these roles entrusted to local vendors with specialised skills vital to our operations.

GOOD HEALTH AND WELL-BEING

Ensure health and well- being for all.

We provided community health centres medicines, promoting the wellness of communities at Sokoto State.

QUALITY EDUCATION

Encourage quality education and lifelong learning.

Every year, BUA Cement is responsible for the funding of the BUA Cement schools (formerly Sokoto Cement Schools) at Wurno Road, Sokoto State.

Undergraduate scholarships were granted to students from Kebbi, Sokoto and Zamfara States, studying engineering and science based courses. This is an addition to previously awarded scholarships.

Also, scholarships were awarded to undergraduate and post-graduate students from Okpella, Edo State.

Renovated classrooms at the Gantsare Community Primary School, Gantsare Village, Wamakko, Sokoto State.

INEQUALITIES

Ensure gender equality and empower all women and girls.

Reduce inequalities between and among countries.

BUA Cement continues to give priority to women in our recruitment process. Furthermore, we maintained the pathway which provides leadership opportunities to women.

CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation.

BUA Cement reactivated 12 boreholes within the Okpella community in Edo State.

Donated 3 boreholes with overhead tanks to the Imiefo community, Okpella, Edo State.

Constructed solar-powered motorised boreholes in Gantsare, Gidan Gamba, Asare Gawo, Gidan Marafa, Kanwuri, Illela, Gidan Baduwa, Asare Gari and Gidan Maituta, all in Soko State.

Constructed 6 toilets and a solar powered motorised borehole in Almajiri School, Wamakko, Sokoto State.

AFFORDABLE AND CLEAN ENERGY

Ensure access to reliable, sustainable, and modern energy.

Installed 300 units of solar streetlights in Okpella, Edo State.

Installed a 200Kva/11kv transformer at Guiwa Eka, Sokoto State.

Installed double branch security lights on the Kalambaina Road, Wamakko junction and other villages in Sokoto State.

Repaired the power line at Gidan Yero Village, Sokoto State.

Donated 26 electrical poles and cables to Gidan Yero Village in Sokoto State.

Sustainable Development Goals Cont'd.

DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable growth.

We ensured inclusive growth by paying competitive wages to our staff alongside other benefits.

Paid annual development levies to host communities at Okpella and Ososo.

LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

We continue to ensure our operations do not excessively use up freshwater or contaminate water sources through recycling and efficient disposal. During the year we used less groundwater and more of rainwater collected through our reservoirs.

Also, recycled water use increased during the year.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and faster innovation.

The 3.7km Afokpella road construction still ongoing.

LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystem.

We diverted more nonhazardous waste from the landfills through the reuse and resale initiative, achieving a 98% diversion rate.

A total of 720 trees and 100 Ecobloomer flowers were planted during the year, as part of our afforestation and carbon sequestration initiatives.

SUSTAINABLE CITIES & COMMUNITIES

Make communities safe, resilient, and sustainable.

Construction of a drainage at the Wajake district, Wamakko, Sokoto State.

PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We are an organisation that seeks peaceful coexistence in host communities.

Our corporate governance framework is set out to achieve accountability, in line with international best practice.

In view of this, BUA Cement provided the Sokoto State Government Security Task Force with 10 units of 4x4 pickup vehicles.

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Corporate Governance

41	Corporate Information
42	Corporate Governance Report
50	Board of Directors
56	Management Team
60	Report of the Directors
65	Notice of the 9th Annual General Meeting
66	Risk Management

03

Corporate Information

Company registration number

RC 1193879

Board of Directors

Abdul Samad Rabiu CON, CFR.	Nigerian	Chairman	
Yusuf Binji	Nigerian	Managing Director/Chief Executive Officer	
Jacques Piekarski	Swiss	Chief Financial Officer	(Resigned 30 April 2024)
Chikezie Ajaero	Nigerian	Chief Financial Officer/Executive Director	(Appointed 26 July 2024)
Kabiru Rabiu	Nigerian	Non-Executive Director	
Chimaobi Madukwe	Nigerian	Non-Executive Director	
Finn Arnoldsen	Norwegian	Non-Executive Director	
Shehu Abubakar	Nigerian	Independent Non-Executive Director	
Khairat A. Gwadabe	Nigerian	Independent Non-Executive Director	
Ganiat A. Siyonbola	Nigerian	Independent Non-Executive Director	

Company Secretary

Hauwa Satomi (Mrs.)
PC 32, Churchgate Street
Victoria Island
Lagos

Registered Office

PC 32, Churchgate Street
Victoria Island
Lagos

Plant Locations

Km 164, Benin-Okene Expressway
Okpella
Edo State

Km 10, Kalambaina Road
Sokoto State

Independent Auditor

PricewaterhouseCoopers (Chartered Accountants)
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

Principal Bankers

Access Bank Plc	Guaranty Trust Bank Plc	Sterling Bank Plc
Coronation Merchant Bank Limited	Keystone Bank Limited	Taj Bank Limited
Eco Bank Nigeria Plc	Nova Merchant Bank Limited	Union Bank of Nigeria Plc
FBNQuest Merchant Bank Ltd	Polaris Bank Limited	United Bank for Africa Limited
Fidelity Bank Plc	Providus Bank	Zenith Bank Plc
First Bank Nigeria Limited	Stanbic IBTC Bank Plc	
First City Monument Bank Limited	Standard Chartered Bank Nigeria Limited	

Corporate Governance Report

Opening Statement of the Chairman on Corporate Governance

Dear Stakeholders,

BUA Cement PLC remains committed to upholding strong ethical standards and corporate governance in line with the Nigerian Code of Corporate Governance (NCCG) 2018. This Commitment supports the Company's long-term success and helps maintain the trust of all stakeholders, including customers, shareholders, employees, creditors, suppliers, and communities. By implementing sound governance practices, the Company fosters confidence among its stakeholders within the manufacturing, housing, and infrastructure sectors of the economy.

Following the Board of Directors' approval of the Company's Anti-Bribery and Corruption Policy, as well as the Code of Conduct for Suppliers and Service Providers, Management implemented these policies during the year under review. This included integrating them into various agreements with service providers and contractors. These actions have reinforced the Company's commitment to ethical business conducts and the maintenance of high standards across its operations.

BUA Cement prioritises transparency and open communication, ensuring that shareholders and stakeholders remain well-informed about the Company's corporate governance practices. The Company recognises that effective communication and stakeholder engagement are critical to building trust. Accordingly, strong emphasis is placed on shareholders participation during Annual General Meetings (AGMs), where shareholders are encouraged to ask questions and provide feedback.

In line with international best practices, the Company ensures compliance with all applicable regulations, including the NCCG 2018, its Memorandum and Articles of Association, the Companies and Allied Matters Act (CAMA) 2020, as well as the regulations of the Nigerian Exchange Limited (NGX) and the Securities and Exchange Commission (SEC). This report outlines the Board's adherence to these standards and reaffirms the Company's ongoing commitment to strong corporate governance.

The Board

The Board is composed of carefully selected individuals to provide strategic oversight of the Company. As the apex decision-making body, the Board is responsible for ensuring that the Company is effectively managed and its assets are judiciously utilised to enhance shareholder value and long-term sustainability. Board members bring a diverse mix of expertise, skills, and knowledge essential for providing effective leadership in today's dynamic and competitive business environment.

The Board operates in accordance with its Board Charter, which outlines its functions, roles, and responsibilities. Among its key duties, the Board is responsible for approving the Company's strategy and financial objectives, overseeing their implementation, reviewing and approving succession plans for Board members and senior management, monitoring risk management and ensuring compliance with regulatory and corporate governance requirements.

This structured governance framework enables the Board to fulfil its oversight responsibilities effectively and drives long-term value for the Company and its shareholders.

Composition of the Board

In line with the Company's Articles of Association and the NCCG 2018, the Board is composed of nine Directors, a size considered appropriate for the effective oversight of the Company's operations.

As of 31 December 2024, the Board consists of four Non-Executive Directors, three Independent Non-Executive Directors, and two Executive Directors. Collectively, the Directors bring a broad range of expertise, skills, business experience, and integrity, enabling sound and well-informed decision-making to achieve the Company's objectives. The Directors demonstrate a clear understanding of their fiduciary responsibilities and consistently acted in the best interests of the Company and its stakeholders.

Board Changes

During the year under review and following the approval of the Board, the General Meeting ratified the appointments of Ganiat Siyonbola as an Independent Non-Executive Director and Chikezie Ajaero as an Executive Director.

The Chairman and The Chief Executive Officer

In accordance with the Nigerian Code of Corporate Governance, the roles of the Chairman and the Managing Director/Chief Executive Officer (MD/CEO) are distinct and not held by the same individual. The Chairman guides the Board in fulfilling all legal and regulatory responsibilities. In collaboration with the MD/CEO and the Company Secretary, the Chairman sets the agenda for Board meetings and fosters communication among the Directors.

The MD/CEO is responsible for executing the Company's strategy and overseeing its day-to-day operations, acting in accordance with the powers delegated by the Board and within the framework of Board-approved policies and guidelines.

Each Executive Director of the Company is issued a contract of employment that clearly outlines their terms of engagement, roles, and responsibilities as a Director. Upon appointment, Directors are required to disclose any potential conflicts of interest. This declaration is reviewed annually or as new circumstances arise.

Non-Executive Directors

The roles, responsibilities, duties, and liabilities of Non-Executive Directors are clearly outlined in their letters of appointment and the Board charter.

Upon joining the Board, all Directors receive a customised induction programme that caters to their specific needs,

Corporate Governance Report Cont'd.

following the guidelines outlined in the Company's Board Appointment Policy and the NCCG 2018.

Non-Executive Directors receive comprehensive information regarding Management and Board affairs. They have unrestricted access to Executive Directors, the Company Secretary, and the Management team.

They are required to disclose any conflicts of interest upon their appointment and on an annual basis or as conflicts arise. Non-Executive Directors are also entitled to Directors' fee.

Independent Non-Executive Directors

In compliance with Section 14 (1) of the Business Facilitation (Miscellaneous Provisions) Act, 2022 and Principle 7.2 of the Nigerian Code of Corporate Governance (NCCG 2018), the Company has three Independent Non-Executive Directors, representing one-third of the total number of its Directors on the Board. They are appointed through the Company's Board Appointment Policy, which includes an assessment of required skills, recommended practices, and a rigorous screening and shortlisting process. Candidates are recommended by the Governance, Establishment and Remuneration Committee for the Board's approval.

Their duties, liabilities, and terms of engagement are specified in their letters of appointment. The independence of the Independent Non-Executive Directors is confirmed annually through conflict-of-interest declarations, the Board Charter and review by the Governance, Establishment and Remuneration Committee.

Independent Non-Executive Directors are entitled to Directors' Fees. In compliance with Principle 7.2.1 of the NCCG 2018, their shareholding in the Company does not exceed 0.01%. They also have access to independent professional advice at the Company's expense.

The Company Secretary

The Company Secretary, who also serves as the Chief Legal Officer, is a key member of the Management team. She reports to the Board Chairman, with a communication line to the MD/CEO. Appointed by the Board following a rigorous selection process, the Company Secretary provides support, governance advice, and legal guidance to the Board and individual Directors on their duties, and responsibilities. As the Chief Legal Officer, she ensures that the Company's activities are conducted in a manner that safeguards the Company's interest and complies with all relevant laws and regulations.

The Secretary also serves as a guiding force and a Trusted Business Partner to the Board and its Committees, ensuring decisions made are in accordance with applicable laws and regulations. In addition, she coordinates the conduct of the Board and Committee meetings and serves as the Secretary to all the Board Committees and the Statutory Audit Committee.

The Central Management Team

With the assistance of other members of Central Management, the MD/CEO oversees the Company's daily operations and ensures that they are in accordance with the policies approved by the Board.

As a key responsibility, the MD/CEO ensures that the management team adheres rigorously to all relevant laws, regulations, and accepted business ethics and practices, thereby fostering confidence within the Central Management Team regarding the Company's ethical standards.

The Central Management team convenes weekly meetings or, as the need arises, to discuss critical issues affecting the Company's daily operations.

Board Appointment Process

The Board strengthens its effectiveness by appointing individuals with relevant skills and diverse perspectives while retaining valuable knowledge and experience to ensure continuity. The Governance, Establishment, and Remuneration Committee (GERC) plays a vital role in ensuring that the Board of Directors possesses the necessary qualities and skills to meet the requirements of the NCCG 2018.

When a vacancy or need arises, the GERC identifies the competencies required to fill the gap, evaluates prospective candidates, and recommends the most suitable individual to the Board following a rigorous assessment process.

Board Meetings

The Board holds quarterly meetings in line with the approved Annual Board Calendar to fulfil its oversight responsibilities and evaluate Management's performance. Special meetings are convened as needed to address urgent matters requiring timely decisions.

Between scheduled meetings, the Board maintains ongoing communication with Management to monitor progress, address emerging issues, assess the implementation of strategy, and provide necessary guidance.

To ensure Directors are well-prepared, notices, agendas, meeting papers, and reports are circulated in advance. Directors who are unable to attend meetings still receive all relevant documents to stay informed and engaged in the Company's affairs.

During the reporting period, the Board approved revisions to the Statutory Audit Committee Charter, the Board Audit Committee Charter, and the Internal Audit Charter. These updates were made to ensure compliance with the Nigerian Code of Corporate Governance (NCCG 2018), the Companies and Allied Matters Act (CAMA 2020), and industry best practices.

In a further effort to enhance the internal control environment and mitigate risk, the Board approved the separation of the Internal Audit function from Internal Control. This aligns with global governance standards.

Additionally, in February 2024, the Board approved a 50% increase in staff salaries as part of a strategic initiative to improve employee welfare and retention amid a challenging economic climate. This decision underscores the Board's commitment to fostering a stable and motivated workforce.

Corporate Governance Report Cont'd.

The Board met five (5) times during the period under review.

The following are the attendance records of the Directors at the meetings:

Name of Directors	Designation	Date of meeting and attendance				
		27/02/24	25/04/24	26/07/24	24/10/24	12/12/24
Abdul Samad Rabiu, CON, CFR.	Chairman	P	P	P	P	P
Yusuf Binji	MD/CEO	P	P	P	P	P
Chimaobi Madukwe	NED	P	P	P	P	P
Kabiru Rabiu	NED	P	P	P	P	P
Finn Arnoldsen	NED	P	P	P	P	P
Khairat A. Gwadabe	INED	P	P	P	P	P
Shehu Abubakar	INED	P	P	P	P	P
Jacques Piekarski	CFO (resigned in April 2024)	P	P	-	-	-
Chikezie Ajaero	CFO (appointed in July 2024)	-	-	-	P	P
Ganiat A. Siyonbola	INED	P	P	P	P	P

Note : P = Present

Board Committees

In addition to the Statutory Audit Committee, the Board fulfils its duties through four Committees, each with clearly defined terms of reference, setting out their powers, tenure and responsibilities. These Committees encompass the Finance and General-Purpose Committee, Governance, Establishment and Remuneration Committee, Board Audit Committee, and Risk Management Committee.

The Committees support the Board in providing effective oversight of the Company's operations and developing practical strategies by leveraging the expertise of individual Directors. They report their discussions to the Board during meetings in accordance with the Board reporting matrix. While the Board makes the final decision, the Committees provide recommendations on matters presented to them by Management.

(a) Finance and General-Purpose Committee

The Finance and General-purpose Committee is responsible for reviewing and making recommendations to the Board of Directors regarding the Company's periodic and long-term financial strategies and objectives. The Committee consists of Five members: One Independent Non-Executive Director, two Non-Executive Directors out of whom one is the Chairman of the Committee, and two Executive Directors. Upon his appointment as Executive Director, Chikezie Ajaero was appointed as a member of the Committee. This strategic appointment was made to leverage his extensive experience and expertise in financial management, aligning with the Committee's objectives to drive sound governance, financial reporting, and effective decision-making.

The Committee's Terms of Reference outline its responsibilities, including providing guidance and support to the Board in achieving the Company's financial goals, reviewing budgets, audited and management accounts, assessing the Company's capital structure, reviewing contracts beyond Management's approval limits, and conducting periodic reviews of the Company's financial position and liquidity.

Report on FGPC Activities

The Committee held six scheduled meetings in the year under review. The table below outlined the attendance of the members of the Committee at meetings held during the year:

Name	Designation	Date of meeting and attendance					
		26/02/24	23/04/24	23/07/24	22/10/24	29/10/24	10/12/24
Kabiru Rabiu	Chairman (NED)	P	P	P	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P	P	P
Yusuf Binji	Member (ED/MD)	P	P	P	P	P	P
Jacques Piekarski	Member (ED)	P	P	-	-	-	-
Chikezie Ajaero	Member (ED)	-	-	-	-	P	P

Note : P = Present

Corporate Governance Report Cont'd.

(b) Governance, Establishment and Remuneration Committee

The Governance, Establishment and Remuneration Committee plays a key role in shaping the Board's structure and strategy. It establishes criteria for Board and Committee membership, assesses candidates for Director positions, and identifies necessary skills and qualifications. Additionally, the Committee oversees Senior Management appointments and the development of Board and Committee charters.

The Committee also advises on the Code of Conduct, sets annual objectives, and implements systems for independent advice to uphold high governance standards.

Furthermore, the Committee is tasked with reviewing and approving terms of service for appointments, managing long-term incentive plans, and ensuring that remuneration policies align with the Company's strategic goals and market conditions.

It is instrumental in succession planning by evaluating the skills and competencies necessary for the Board and key Management positions.

During the year under review, the Committee successfully facilitated the Board and Corporate Governance Evaluation and coordinated the induction of the new Executive Director. Additionally, the GERC recommended the full implementation of the Succession Planning Policy, supervised key recruitments, and enhanced Governance, Risk, and Compliance (GRC) frameworks. The Committee also prioritised employee welfare, making key recommendations to the Board on staff promotions, salary adjustments, and initiatives to boost employee morale, all of which were approved by the Board. The committee is chaired by an Independent Non-Executive Director.

Report of the Governance, Establishment and Remuneration Committee

The Committee held five scheduled meetings during the year; the table below outlines the attendance of the members of the Committee at meetings held during the year.

Name	Designation	Date of meeting and attendance				
		22/02/2024	24/04/2024	24/07/2024	23/10/2024	11/12/2024
Khairat A. Gwadabe	Chairman (INED)	P	P	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P	P	P
Kabiru Rabiu	Member (NED)	P	P	P	P	P
Finn Arnoldsen	Member (NED)	P	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P	P

Note : P = Present

(c) Risk Management Committee

The Risk Management Committee oversees the Company's risk management and evaluates the types, extents, and categories of risks facing the Company, their likelihood of occurrence, and the Company's capabilities to mitigate these risks should they arise.

The Committee periodically reviews the approved Risk Management Framework to ensure the adequacy and effectiveness of risk controls. The Committee is chaired by a Non-Executive Director.

Key functions of the Committee include:

- Developing and overseeing a comprehensive internal control framework, obtaining assurances, and annually reporting on its effectiveness in the financial report.
- Reviewing the Company's risk management policy, which covers risk appetite and strategy.

The Committee is committed to aligning the Company's risk management practices with industry best practices and regulatory requirements, ensuring that the Company's operations are conducted in a secure and safe environment.

Report of the Risk Management Committee Activities.

In the reviewed period, the Committee held four (4) scheduled meetings to deliberate on Management Report in relation to these functions and provide recommendations to the Board. The table below shows the attendance of the members of the Committee at meetings held during the year.

Name	Designation	Date of meeting and attendance			
		22/02/2024	24/07/2024	23/10/2024	11/12/2024
Finn Arnoldsen	Chairman (NED)	P	P	P	P
Khairat Abdulrazaq Gwadabe	Member (INED)	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P
Yusuf Haliru Binji	Member (ED/MD)	P	P	P	P
Jacques Piekarski	Member (CFO/ED)	P	p	-	-
Chikezie Ajaero	Member (CFO/ED)	-	-	-	P

Note : P = Present

Corporate Governance Report Cont'd.

(d) Board Audit Committee

The Board in compliance with Principle 11.4.7 of the NCCG 2018 constituted a Board Audit Committee (BAC). The BAC, established under a Terms of Reference, is a Committee of the Board comprised of two Non-Executive Directors and three Independent Directors who possess financial expertise and the ability to analyse the financial statements. The Committee is chaired by an Independent Non-Executive Director.

The Board Audit Committee (BAC) has been established with the key purpose of overseeing Management's processes to ensure the accuracy and integrity of the Company's financial statements. The BAC plays a key role in reviewing and providing recommendations to the Board regarding the interim and annual financial statements. This includes ensuring that the financial statements adhere to the relevant accounting standards.

The BAC is responsible for supervising the internal audit function, ensuring that it has appropriate policies and procedures. It also develops a comprehensive internal control framework, ensuring reasonable assurance about the achievement of objectives, the reliability of financial reporting, compliance with laws and regulations, and asset safeguarding. The BAC plays a critical role in ensuring the accuracy, reliability, and integrity of the Company's financial reporting processes, ensuring that financial statements provide a fair view of the Company's financial performance and position, and ensuring that internal control and risk management systems are effective in safeguarding the Company's assets and achieving set objectives.

The Committee held four (4) scheduled meetings during the year under review; its membership and attendance are listed in the table below:

Name of Member	Designation	Date of meeting and attendance			
		26/02/2024	23/07/2024	22/10/2024	10/12/2024
Shehu Abubakar	Chairman (INED)	P	P	P	P
Finn Arnoldsen	Member (NED)	P	P	P	P
Khairat A. Gwadabe	Member (INED)	P	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P	P
Ganiat A. Siyonbola	Member (INED)	P	P	P	P

Note : P = Present

(e) Statutory Audit Committee

In compliance with Section 404 of the Companies and Allied Matters Act 2020, the Company constituted the Statutory Audit Committee. In line with the provisions of Section 404 (3) of the CAMA 2020, the Committee consists of three shareholders and two Non-Executive Directors.

The Statutory Audit Committee comprises members with diverse expertise in accounting, finance, taxation, risk management, business administration, and law. In accordance with Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, the Committee is responsible for reviewing the scope and planning of audit engagements, examining the auditors' findings and recommendations, and assessing the adequacy of the Company's internal controls and financial reporting systems.

The Committee also makes recommendations to the Board on the appointment, reappointment, or removal of the external auditors, and reviews and recommends their fees.

The Committee held five meetings in the year under review.

The table below shows the attendance of the members of the Committee at the meetings held during the year:

Name of Member	Designation	Date of meeting and attendance				
		26/02/2024	23/04/2024	23/07/2024	22/10/2024	10/12/2024
Ajibola A. Ajayi	Chairman	P	P	P	P	P
Kabiru A. Tambari	Member	P	P	P	P	P
Oderinde Taiwo	Member	P	P	P	P	P
Kabiru Rabiu	Member (NED)	P	P	P	P	P
Ganiat A. Siyonbola	Member (INED)	P	P	P	P	P

Note : P = Present

Corporate Governance Report Cont'd.

Risk Management Framework

In line with best corporate governance practices, BUA Cement Plc has established a robust framework for managing enterprise risk. The Company's commitment to effective risk management is anchored in an Enterprise Risk Framework aligned with international standards and best practices.

BUA Cement implements a structured approach to risk assessment and mitigation through the following key components:

i. Risk Identification: The process of identifying all potential causes of divergences.

ii. Risk Assessment/Measurement: The process of estimating the probability and severity of risk events.

iii. Risk Treatment/Control: The development of effective controls to decrease the probability and severity of risk events.

iv. Risk Monitoring and Review:

Continuously evaluating the effectiveness of risk controls through measurable, visible actions, follow-through, and improvements. Monitoring and evaluation are essential to adapting the risk management approach to changing conditions.

This comprehensive risk management strategy supports enhanced compliance with applicable laws and regulations and facilitates proactive risk prevention and mitigation.

Shareholders

The Board and Management of the Company are committed to transparent and timely communication with shareholders, investors, and other stakeholders. In accordance with regulatory requirements, shareholders receive the Annual Report and other pertinent information prior to the Annual General Meeting (AGM). In attendance at the AGM were the Chairman of the Audit Committee and the Chairman of the Board of Directors, both of whom were available to respond to shareholders' inquiries. Shareholders were provided with sufficient information via the Company's website and the Nigerian Exchange Issuers' Portal.

In line with the Securities and Exchange Commission's guidelines and the Nigerian Exchange Limited directives, the Company has developed a Complaints Management Framework. This framework provides structured channels for shareholders to submit feedback or resolve issues through the Company and its Registrars. The policy is available on the Company's website at:https://www.buacement.com/documents/Complaints-Management-Policy-002-120241011131041.pdf.

Onboarding and Continuing Training for Directors

The Board has adopted a Directors' Training Policy aimed at enhancing the skills and knowledge of its Directors. This policy ensures continuous learning by providing access to relevant training opportunities aligned with their oversight responsibilities. In line with the policy, the Company Secretary develops an annual Directors' training plan, and each Director is required to participate in at least one core training program annually or biannually to strengthen their governance, compliance, and strategic oversight capabilities.

In 2024, Directors participated in various training sessions. Additionally, during the year under review, the Company Secretary facilitated an onboarding session for Chikezie Ajaero following his appointment to the Board.

Information Flow and Access to Management

The Board papers and reports are distributed to the Directors before each meeting. The Managing Director presents relevant reports, along with accompanying documents, for the Board's consideration, deliberation, decision-making, or approval. The Board maintains effective communication with Management. The Company Secretary provides guidance on corporate governance, international best practices, and ethical standards to individual Directors and the Board.

Access to Independent Advice

In alignment with the international best practices, the Board has access to independent professional advice at the Company's expense. This access enables Directors to fulfil their responsibilities effectively and make informed decisions.

Whistleblowing Policy

The Company is committed to upholding the highest ethical standards and fostering a culture of transparency, integrity, and accountability. It has implemented a robust Whistleblowing Policy that encourages employees and stakeholders to report suspected breaches of the Company's Code of Business Conduct and Ethics (CoBC) without fear of retaliation. Reports can be made through the Integrity Line on the Company's website, which is regularly communicated to stakeholders and monitored for effectiveness.

BUA Cement Plc's whistleblowing policy ensures anonymity and protection for those reporting suspected illegal, corrupt, unethical, or improper conduct. For more information, the Whistleblowing Policy is available at: https://www.buacement.com/documents/BUA-CEMENT-PLC-WHISTLE-BLOWING-POLICY20241011130326.pdf.

Insider Information Policy

In compliance with the Investments and Securities Act 2007, the Nigerian Code of Corporate Governance (NCCG) 2018, and the Rules of the Nigerian Exchange Limited, the Company has implemented a policy on insider information and the prohibition of insider trading. This policy, which is accessible to all stakeholders, prohibits trading in the Company's shares by Directors, employees, or any individuals with insider information during any Non-Authorised Trading Period or Closed Period, as defined by relevant laws and regulations.

In addition to regulatory compliance, the Company promotes the safeguarding of confidential, potential price-sensitive information by Board members, employees, and external stakeholders. The Company Secretary routinely issues reminders to Directors, employees, and other relevant individuals about their obligations under the insider trading policy, particularly during the Closed Period. Additionally, the Company Secretary

Corporate Governance Report Cont'd.

monitors daily share trading activities to ensure strict compliance and to prevent any breaches by Directors or employees.

Succession Planning

BUA Cement Plc maintains a comprehensive succession policy designed to ensure leadership continuity and business stability. The policy provides a structured approach for identifying critical roles, assessing internal talent, and preparing high-performing individuals for future leadership positions through targeted development initiatives.

In line with the policy, the Company successfully appointed Chikezie Ajaero as Chief Financial Officer (CFO) during the year under review, following a seamless transition process. This demonstrates the effectiveness of the policy in sustaining strong leadership and supporting the Company's long-term strategic objectives.

Board and Corporate Governance Evaluation

The Board has implemented a Board Evaluation Policy to ensure excellence and continuous advancement. This policy provides a systematic method for evaluating the performance of the Board, Board Committees, and individual Directors. Internal evaluations are conducted periodically.

To enhance effectiveness and governance, the Board approved the engagement of Planet Governance Advisory Limited to conduct a comprehensive evaluation of the Board and corporate governance practices. The findings, presented to the Committee and shared with all Board members, confirmed the Company's compliance with regulatory standards and internal governance requirements.

The evaluation confirmed that the Board's composition, diversity, structure, and leadership met both regulatory and internal standards, with a total of nine members. Board Committees were well-established, and meeting attendance was exemplary, reaching 100.0% in most cases.

With an overall performance rating of 77.2%, the Board demonstrated substantial adherence to corporate governance best practices.

The evaluation also included an assessment of the Company Secretary's performance, confirming her compliance with industry standards and applicable regulatory requirements. The Board commended her diligence, effective communication, and professionalism in coordinating Board and Committee meetings, as well as in managing corporate records.

Conflict of Interest

To assist Directors and senior executives in identifying, disclosing, and managing actual or perceived conflicts of interest, the Board has adopted a Conflict-of-Interest Policy.

The Policy requires newly appointed Directors to disclose their interests in any entities where they serve as directors, officers, employees, auditors, creditors, or significant shareholders. In accordance with the Policy, any Director involved in a related party transaction must disclose the conflict to other Directors through the Company Secretary before the relevant meeting and must abstain from discussions, reporting, and voting on the matter.

During the year under review, all Directors duly completed the Declaration of Interest forms.

Code of Conduct and Ethics

BUA Cement Plc is guided by a comprehensive Code of Business Conduct and Ethics (CoBC), which outlines the ethical standards expected of all employees and Directors. The Code reinforces the Company's commitment to human rights, fair labour practices, environmental responsibility among others.

The CoBC is reviewed regularly to ensure its continued relevance and effectiveness. All employees are expected to adhere to its principles, and new hires are required to acknowledge and commit to the Code as part of their onboarding process.

In line with best governance practices, Directors are required to complete and sign the Code of Business Conduct and Ethics declaration form applicable to Directors annually, affirming their commitment to the Company's core values and their fiduciary duties of care and loyalty.

Code of Conduct for Suppliers and Service Providers

To promote ethical and responsible business practices, BUA Cement Plc has implemented a Code of Conduct for Suppliers and Service Providers. The Code outlines the standards of behaviour expected from all third parties engaging with the Company.

All new contracts with suppliers and service providers now incorporate the Code of Conduct by reference, while existing contracts are being reviewed and updated accordingly. This approach ensures consistent adherence to ethical standards across all business relationships.

Data Protection

The Company has implemented systems to ensure that personal data collected from employees, customers, suppliers, service providers, and other stakeholders adheres to the Nigeria Data Protection Act (NDPA) 2023 and Nigeria Data Protection Regulation (NDPR 2019).

For detailed information regarding the Company's approach to privacy, stakeholders can refer to the Privacy Policy available on the Company's website at BUA-CEMENT-PLC-GENERAL-PRIVACY-POLICY20241011130230.pdf.

This policy outlines the procedures for handling personal data by the Company and underscores the rights and protections granted to individuals whose information is processed.

During the year under review, the Company engaged an authorised Data Protection Compliance Organisation (DPCO) to review and oversee comprehensive data protection measures ensuring alignment with NDPA requirements. In 2024, the data audit exercise was successfully carried out by the DPCO, and the Audit report was filed with the Nigeria Data Protection Commission (NDPC) as required.

Corporate Governance Report Cont'd.

Anti-Bribery and Corruption Policy.

During the year under review, the Board approved the Anti-Bribery and Corruption Policy to reinforce the Company's commitment to maintaining the highest standards of integrity and transparency in all its operations. The policy was designed to establish clear guidelines and procedures aimed at preventing, detecting, and addressing any acts of bribery or corruption within the organisation. It emphasises the Company's zero-tolerance stance towards bribery and provides a comprehensive framework to mitigate any potential risks associated with corrupt practices.

To ensure compliance and foster a culture of accountability, the policy outlines the expectations for all employees, vendors, and stakeholders regarding anti-bribery and anti-corruption practices. This includes clear instructions on reporting any suspicious activities and the steps to take if a violation occurs. Furthermore, the Company has put in place stringent mechanisms to ensure that all contracts with vendors include anti-bribery clauses.

Additionally, the Company has implemented ongoing monitoring and training programs to raise awareness and strengthen its anti-bribery practices across the board. This proactive approach is part of the Company's broader efforts to ensure compliance with both local and international anti-bribery regulations, ultimately safeguarding the Company's operations from any form of economic crime while promoting ethical conduct in all business dealings.

Related Party Transactions

The details of the transactions of the Company with its related parties during the review period are outlined in note 30 of the Financial Statements.

Remuneration of Directors

The remuneration of both Executive and Non-Executive Directors is determined in accordance with the Company's Remuneration Policy for Directors. The Policy is periodically reviewed to ensure alignment with industry best practices, competitiveness, and the evolving needs of the Company.

To promote accountability and performance, the Board has established Key Performance Indicators (KPIs) for Executive Management, against which performance is regularly measured. This ensures alignment with the Company's strategic objectives and supports sustained value creation.

Sustainability

Since our inception, BUA Cement's Board and Management have been dedicated to driving sustainability while providing impactful solutions to housing and infrastructure challenges. Our deep desire to see Africa thrive compels us to prioritise quality and innovation, ensuring that our products consistently deliver value and meet the diverse needs of our customers. This commitment extends to economic empowerment and national development, with a focus on Nigeria and Africa as a whole. Through our operational and social initiatives, we continue to advance development and aim to lead the global conversation on Africa's growing potential.

In furtherance of our commitment to sustainable practices, we conduct our operations with minimal environmental impact, adhering strictly to emission standards, implementing measures to reduce freshwater consumption, recycling water, treating water, and engaging in land reclamation efforts. Additionally, the Company actively supports government initiatives aimed at achieving Sustainable Development Goals (SDGs) through our social initiatives, including educational scholarships, the construction of boreholes to provide clean drinking water, building of hospitals and clinics, and the provision of other social amenities and infrastructure to the communities where BUA Cement operates.

Compliance Statement

As a responsible and compliant corporate entity, we are dedicated to upholding the highest standards of corporate governance within our organisation. We comply with the Nigerian Code of Corporate Governance, 2018, as well as the disclosure requirements established by the Nigerian Exchange Group. Through a comprehensive compliance framework, we consistently review and update our policies to ensure they remain effective and aligned with our business objectives. This strategic approach not only aligns with our goals but also fosters sustainable growth in the Nigerian economy.

By order of the Board of Directors

Hauwa Satomi (Mrs.)
Company Secretary/Chief Legal Officer
FRC/2022/PRO/NBA/002/00000023786
BUA Cement Plc,
Lagos, Nigeria.
5 February 2025.

Board of Directors

Abdul Samad Rabiu, CON, CFR.

Chairman

Abdul Samad Rabiu, CON, CFR, is a visionary businessman, industrialist, and philanthropist. He is the Founder and Chairman of BUA Group, a diversified Nigerian conglomerate with interests spanning cement, sugar, flour, pasta, edible oils, rice, oil and gas, real estate, logistics, and infrastructure. The Group originated from BUA International Limited, which he established in 1988. Under his strategic leadership, BUA has grown into one of Nigeria's foremost industrial and economic powerhouses.

A graduate of Economics from Capital University in the United States, Abdul Samad began his career in the family business before founding BUA. He led the Group's entry into manufacturing, establishing one of sub-Saharan Africa's largest sugar refineries and multiple cement plants—including a $1 billion cement complex in Edo State and additional plants in Sokoto. Under his leadership, BUA Cement Plc now boasts a total production capacity of 17 million metric tonnes per annum (MTPA), making it Nigeria's second-largest cement producer.

In 2014, he was appointed Chairman of the Board of Cement Company of Northern Nigeria (CCNN) Plc, which later merged with Obu Cement Company Plc in 2019 to form BUA Cement Plc. Earlier in his career, he served as Chairman of the Board of Tropical Continental Bank (1993–2000) and subsequently as Chairman of the Board of Nigeria's Bank of Industry. He also served two terms as President of the France-Nigeria Business Council, reinforcing his commitment to fostering international business relations.

Abdul Samad successfully led the $3.3 billion merger of Obu Cement and CCNN to form BUA Cement Plc, now a major player on the Nigerian Exchange Group. In 2021, he further expanded the Group's market presence by listing BUA Foods Plc, consolidating its food processing operations under a single publicly traded entity.

Beyond business, Abdul Samad is deeply committed to social development through the Abdul Samad Rabiu Africa Initiative (ASR Africa) and the BUA Foundation. His philanthropic contributions include funding hospitals, educational infrastructure, and humanitarian relief efforts such as COVID-19 response and flood aid. Notable projects include a 200-bed hospital in Kano, a ₦4 billion police hospital in Abuja, and multi-billion-naira grants to Nigerian universities and healthcare institutions.

In recognition of his contributions to industry and philanthropy, he has received numerous accolades, including the national honours of Commander of the Order of the Federal Republic (CFR) and Commander of the Order of the Niger (CON). Abdul Samad Rabiu continues to serve as a global ambassador for Nigerian industry and enterprise.

Board of Directors

Yusuf Binji

Managing Director/ Chief Executive Officer

Yusuf Binji, a Nigerian, born on 23 March 1968, is the Managing Director of BUA Cement. He is a Chemical Engineer with degrees from Ahmadu Bello University and the University College, London. Yusuf is also a Fellow of the Nigerian Society of Engineers, the Solar Energy Society of Nigeria and the Nigerian Society of Chemical Engineers.

He has over 30 years working experience in various organisations including Cement Company of Northern Nigeria (CCNN), BUA International Limited, Obu Cement Company Limited, among others. He was the Managing Director, Obu Cement Company in 2017 before moving to Cement Company of Northern Nigeria as the Managing Director in 2018. In December 2019, he was appointed as the Managing Director/ Chief Executive Officer of BUA Cement, the new entity from the merger between Obu Cement and CCNN.

He has attended various executive management courses in Nigeria and internationally, including Harvard Business School in USA, Institute for Management Development, Switzerland and INSEAD, France. Yusuf was appointed to the Board of BUA Cement PLC on 23 December 2019.

Chikezie Ajaero

Chief Financial Officer / Executive Director

Chikezie is the Chief Financial Officer and an Executive Director of BUA Cement Plc. He brings over 26 years of progressive experience in financial reporting, treasury and financial management, internal controls, and strategic leadership across multiple sectors.

He joined BUA Flour Mills Limited in 2005 as Finance Manager. Between 2008 and 2012, he served as General Manager, Finance at 1004 Estates Limited and UAC Restaurants (a subsidiary of UAC Plc). He rejoined BUA Pasta/ Flour Mills in 2012 and was transferred to Obu Cement Company Limited in 2015, as General Manager, Finance. Following the merger with Cement Company of Northern Nigeria (CCNN) in 2019, he became Finance Director of Obu Plant. In May 2024, he was appointed Chief Financial Officer and Executive Director of BUA Cement Plc in July.

Mr. Ajaero is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and holds an MBA from the University of Lagos. He has also completed executive training at the London Business School. His core competencies include financial reporting, strategic financial planning & reporting, financial controls, risk management, assets decommissioning, treasury management and cost control & efficiency optimisation.

Board of Directors

Chimaobi Madukwe
Non-Executive Director

Chimaobi Madukwe, a Nigerian born on 19 May, 1961, is the Group Chief Operating Officer (GCOO) of BUA Group and a Non-Executive Director of BUA Cement Plc. He holds a bachelor's degree in management studies/accountancy and an MBA in Finance.

He has built a distinguished career in top executive management spanning over a period of 30 years. His experience is wide and varied in corporate banking & finance, manufacturing, non-bank finance, commercial sectors of the economy.

He joined the BUA Group in 2004 as Assistant General Manager/ Group Treasurer and has since held several senior roles including Group General Manager and Group Executive Director. He was responsible for setting up the Group's Port Harcourt operations while also serving as the Managing Director of BUA Ports & Terminals.

An experienced turnaround expert, Chimaobi has specialised training in Negotiation, Strategy, Corporate Finance, Assets & Liability Management (ALM), Structured Finance, Mergers & Acquisitions (M&A), Export Finance. He has participated in several international training in Harvard Business School, The Wharton School, IMD Lausanne, among others.

A widely travelled executive, Chimaobi sits on the board of several companies and was appointed to the Board of BUA Cement Plc on 22 May 2014.

Kabiru Rabiu
Non-Executive Director

Kabiru Rabiu is a Non-Executive Director of BUA Cement Plc. He is also the Group Executive Director of BUA Group. Kabiru holds a B.A (Hons) degree in Management from Webster University and a master's degree in business administration (International Business) from the American Intercontinental University, both in England.

Prior to his appointment as the Group Executive Director of BUA Group to oversee the strategy and growth of the Group, he was the Managing Director of BUA Oil Mills Limited where he successfully turned around the business; before that, he was a General Manager in Nigerian Oil Mills Limited, in charge of managing the daily operations of the company. Among other corporate successes, Kabiru led the consolidation of Cement Company of Northern Nigeria Plc and BUA's Kalambaina Cement; which resulted in the listing of BUA Cement PLC on the Nigerian Exchange Group (NGX).

He also led the merger and listing of BUA Foods PLC on NGX. Both of these listed BUA companies rank amongst the top 5 most valuable on the NGX by market capitalisation. Kabiru currently sits on the Boards of several private and listed companies in Nigeria and he was the pioneer Chairman of the Nigerian Sugar Institute.

He has attended various executive programs in several business schools, including the London School of Economics and Political Science, Harvard Business School, Stanford University and NYU amongst others. Kabiru was appointed to the Board of BUA Cement on 22 May 2014.

Board of Directors

Finn Arnoldsen

Non-Executive Director

Finn Arnoldsen, a Norwegian, was born on 3 September 1954. He holds a master's degree in Combustion Engineering from Noweergian Institute of Technology (NTH), Norway in 1977.

His entire working career has been in the Cement Industry and mainly in Africa. He started in 1985 in Ghana as the Work Manager for Heidelberg Cement (Scancem International Ltd.) and continued the next 25 years in various managerial positions within the Cement Group.

He was a member of the Executive Management in Heidelberg Cement Africa for 10 years as Senior Vice President, responsible for West Africa and Southern Africa. He was also Chairman and member of several Boards across the continent, also including Ghana Cement Works Ltd., Nova Cimangola South Africa, and Tanzania Portland Cement Ltd. (Chairman). Finn joined the BUA Group in 2009 as the Commercial Director and as Executive Board member in Cement Company of Northern Nigeria Plc. Furthermore, he was appointed Managing Director for Edo Cement Ltd in 2012 and Group Chief Operating Officer, Cement in 2017.

Finn was appointed to the Board of BUA Cement PLC on 28 March 2019.

Khairat Gwadabe

Independent Non-Executive Director

Senator Khairat Abdulrazaq- Gwadabe, a Nigerian, born on 23 April 1958 is an Independent Non-Executive Director of BUA Cement Plc. She obtained a Bachelor of Arts (B.A) in European Studies and Spanish from the University of Wolver Hampton England (1982) and Universidad Complutense in Madrid, Spain (1981). She holds a Bachelor of Laws (L.L.B) from the University of Buckingham in England (1984) and was called to the Nigerian Bar in 1986. She later obtained a Master's degree in Law (L.L.M) from the University of Lagos, Nigeria in 1992.

She is a Barrister at Law and a Solicitor of the Supreme Court of Nigeria and the Managing Partner of A. Abdulrazaq & Co, a firm of Legal Practitioners and Notaries Public. Khairat worked with the then Mobil Producing Nigeria as a Counsel in the Legal Department handling matters ranging from compensation claims resulting from oil spillage to internal legal advice on various issues to the company.

In the 1999 general elections, she was elected as the 1st female Senator from Northern Nigeria and the only Senator representing Abuja, the Federal Capital Territory. While in the Senate, she chaired the Committees on Women Affairs and Youth Development; The Federal Capital Territory and Primary Health and HIV/Aids Committees. Khairat was elected as chairman of the Senators Forum in 2011, which she still holds to date. In 2013, she was appointed as a member of the Presidential Advisory Committee on National Dialogue, which recommended guidelines and procedure for holding the National Conference. Khairat was appointed as an Independent Non-Executive Director on the Board of BUA Cement Plc on 23 December 2019.

Board of Directors

Shehu Abubakar

Independent Non-Executive Director

Shehu Abubakar, a Nigerian, born on 28 August 1959, is an Independent Director of BUA Cement Plc. He holds a Bachelor of Science (B.Sc.) (in Business Management) from Usman Danfodio University, Sokoto in 1984 and an MBA from Ahmadu Bello University, Zaria in 2011.

He has an extensive working career in the Banking Industry from 1987 to 2017 where he retired as Executive Director of Keystone Bank Limited after putting in about 29 years in the Industry. He was also at different times a Director on the Board of Global Bank of Liberia and KBL Health Care Limited. Shehu has a wide range of experience in Strategy, Leadership and Executive Management, Customer Relations and Management as well as Corporate Finance.

He attended professional training programmes in the course of his career within and outside Nigeria including, the Lagos Business School, Harvard Business School, Columbia Business School and Wharton Business School, among others.

Shehu was appointed as an Independent Director to the Board of BUA Cement Plc on 23 December 2019.

Ganiat Siyonbola

Independent Non-Executive Director

Ganiat Siyonbola is a Barrister and Solicitor of the Supreme Court of Nigeria having been called to the Nigerian Bar in 1995. She is an alumna of Olabisi Onabanjo University Ago Iwoye, Ogun State, Nigeria and her Legal Practice experience spans about 30 years.

She is the Senior Partner of G. Adetutu Siyonbola & Co., a position she has held since 1999.

Ganiat started her career as Counsel with Kunle Uthman & Co. between 1996 and 1999. She also served as Audit Committee Member at 11 PLC (Formerly known as Mobil Oil Nigeria Plc) between 2018 and 2022. She has served in various capacities within the Nigerian Bar Association, and she is affiliated with several prominent legal organisations, including the African Bar Association, Pan African Law Union, West African Bar Association, Federacion Internationale De Abogadas (FIDA) and International Bar Association.

Additionally, she is a Notary Public and member of the Chartered Institute of Arbitrators (CIArb), U.K.

Board of Directors

Hauwa Satomi

Company Secretary/ Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 15 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, Litigation Portfolio management, and review of commercial contracts. She is an Alumnus of the University of Maiduguri, Nigeria. She started her career at Ashemi and Co. She later joined Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 and rose to become a Legal Manager supporting the then Group Chief Legal Officer/Company Secretary. She also served as the Company Secretary of BUA International Limited and BUA Ports and Terminals Limited. She played a vital role in the merger of Cement Company of Northern Nigeria (CCNN) Plc with Obu Cement Company Plc, which metamorphosed into BUA Cement Plc.

She has worked on the documentation and participated in overseeing the merger exercise between five of the subsidiaries within the Group, played a key role in the registration of the Free Zone entity in the organisation and setting the sustainability documentation that made it possible for the organisation to be listed on the Nigerian Exchange Group.

She is a member of many professional bodies and has attended several trainings and courses. She was appointed Deputy Company Secretary of BUA Cement Plc in January 2021, and in November 2022, she became the acting Company Secretary. Her appointment was confirmed in February 2023.

Management Team

Yusuf Binji

Managing Director/ Chief Executive Officer

Yusuf Binji, a Nigerian, born on 23 March 1968, is the Managing Director of BUA Cement. He is a Chemical Engineer with degrees from Ahmadu Bello University and the University College, London. Yusuf is also a Fellow of the Nigerian Society of Engineers, the Solar Energy Society of Nigeria and the Nigerian Society of Chemical Engineers. He has over 30 years working experience in various organisations including Cement Company of Northern Nigeria (CCNN), BUA International Limited, Obu Cement Company Limited, among others.

He was the Managing Director, Obu Cement Company in 2017 before moving to Cement Company of Northern Nigeria as the Managing Director in 2018. In December 2019, he was appointed as the Managing Director/ Chief Executive Officer of BUA Cement, the new entity from the merger between Obu Cement and CCNN.

He has attended various executive management courses in Nigeria and and INSEAD, France. internationally, including Harvard Business School in USA, Institute for Management Development, Switzerland Yusuf was appointed to the Board of BUA Cement PLC on 23 December 2019.

Chikezie Ajaero

Executive Director / Chief Financial Officer

Chikezie is the Chief Financial Officer and an Executive Director of BUA Cement Plc. He brings over 26 years of progressive experience in financial reporting, treasury and financial management, internal controls, and strategic leadership across multiple sectors.

He joined BUA Flour Mills Limited in 2005 as Finance Manager. Between 2008 and 2012, he served as General Manager, Finance at 1004 Estates Limited and UAC Restaurants (a subsidiary of UAC Plc). He rejoined BUA Pasta/ Flour Mills in 2012 and was transferred to Obu Cement Company Limited in 2015, as General Manager, Finance. Following the merger with Cement Company of Northern Nigeria (CCNN) in 2019, he became Finance Director of Obu Plant. In May 2024, he was appointed Chief Financial Officer and Executive Director of BUA Cement Plc in July.

Mr. Ajaero is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and holds an MBA from the University of Lagos. He has also completed executive training at the London Business School. His core competencies include financial reporting, strategic financial planning & reporting, financial controls, risk management, assets decommissioning, treasury management and cost control & efficiency optimisation.

Management Team

Hauwa Satomi

Company Secretary/ Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 15 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, Litigation Portfolio management, and review of commercial contracts. She is an Alumnus of the University of Maiduguri, Nigeria. She started her career at Ashemi and Co. She later joined Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 and rose to become a Legal Manager supporting the then Group Chief Legal Officer/Company Secretary. She also served as the Company Secretary of BUA International Limited and BUA Ports and Terminals Limited. She played a vital role in the merger of Cement Company of Northern Nigeria (CCNN) Plc with Obu Cement Company Plc, which metamorphosed into BUA Cement Plc.

She has worked on the documentation and participated in overseeing the merger exercise between five of the subsidiaries within the Group, played a key role in the registration of the Free Zone entity in the organisation and setting the sustainability documentation that made it possible for the organisation to be listed on the Nigerian Exchange Group.

She is a member of many professional bodies and has attended several trainings and courses. She was appointed Deputy Company Secretary of BUA Cement Plc in January 2021, and in November 2022, she became the acting Company Secretary. Her appointment was confirmed in February 2023.

Ahmed Idris

Plant Director – Obu

Ahmed Abubakar Idris graduated with a degree in Chemical Engineering from the prestigious Ahmadu Bello University Zaria. He is a Corporate Member of the Nigerian Society of Engineers. Ahmed started his career as a Trainee Engineer with the defunct Cement Company of Northern Nigeria (CCNN) Plc in 1992 and steadily rose through the ranks to the position of Technical Director in 2013, a position he held till he resigned in 2015.

He rejoined the Company in 2017 as a commissioning Director on the then CCNN for its newly constructed 2MMTPA production line. In 2018, he was appointed as the Plant Director for Obu Cement Plants at Okpella, Edo state.

Management Team

Aminu Bashar

Plant Director – Sokoto

Aminu Bashar is a consummate engineer with vast experience in operations and maintenance of integrated cement plants. A graduate of Chemical Engineering from Ahmadu Bello University with about 28 years industry experience, having started his career as a Pupil Engineer with Cement Company of Northern Nigeria (CCNN) in 1992.

His career saw him transverse several roles until his appointment as Technical Director of CCNN in 2016. In his capacity, he is responsible for the management of the BUA Cement Plant in Sokoto, and strategically leads it in the attainment of its corporate goals and objectives.

Mohammed Minjibir

Director, Logistics and Transport

Mohammed Minjibir holds degrees in Business Administration from Ahmadu Bello University Zaria and Cardiff Business School, University of Wales, United Kingdom. Mohammed is an Affiliate Member Chartered Institute of Logistics and Transport, an Associate Member of Nigeria Institute of Management and a Student Member Chartered Institute of Stockbrokers. He has attended several courses within Nigeria.

Mohammed started his career as a Management Consultant with Ahmed Zakari & Co (Chartered Accountants) in 2003. He later joined Dangote Industries Limited, Transport Division in 2004 as Procurement Manager (Imports). While in Dangote, he rose through the ranks a Group General Manager in charge of Dangote Cement Transport, Ibese in 2012. He joined BUA Cement in 2015 as the pioneer General Manager, Transport. He resigned his appointment as the logistics and transport director on November 2024.

He resigned from his position on November 2024 to explore other career opportunities.

Management Team

Ibrahim Salau

Director, Health, Community, Safety and Environment (HCSE).

Ibrahim Salau is an environmental, social and energy management specialist with over 25 years of industry practice that cuts across the manufacturing, financial, telecommunications, oil & gas and power sectors in Nigeria, Ghana, Kenya, Liberia, Sierra-Leone and the United Kingdom.

He is a graduate of the prestigious University of Lagos, where he holds a Bachelor's and Master's degree in Chemical Engineering; the University of Groningen, Netherlands and the University of Strathclyde, Glasgow, Scotland, where he holds certifications in Land Acquisition, Resettlement and Social Sustainability and Social Impact Assessment, respectively.

In addition, he is a member of different professional bodies, including the Council for the Regulation of Engineering in Nigeria (COREN), the Nigerian Society of Engineers (NSE), the International Society for Sustainability Professionals (ISSP), International Association of Impact Assessment (IAIA), the Nigerian Environmental Society (NES) and the Association of Environmental Impact Assessment of Nigeria (AEIAN). He is also a member of the Board of Trustees (BoT) of the Sustainability Professionals Institute of Nigeria (SPIN).

Before his appointment, he was the Managing Director of Environmental Accord Nigeria Limited. Prior to this time, he was an Environmental, Social & Governance (ESG) consultant with the International Finance Corporation (IFC), covering Sub-Saharan Africa (SSA). Ibrahim is a keen researcher, having presented and co-authored a number of publications. He is a recipient of the Fate Foundation Alumni Model Awards. He also teaches Corporate Sustainability at the Lagos Business School (LBS), where he is a Senior Fellow with the LBS' Sustainability Centre. He resigned his position as Director, health, community, safety and environment on January 2025.

He resigned in January 2025 to pursue other professional opportunities.

Abdullahi Usman

Director, Strategic Supplies

Abdullahi Bayero Usman is a seasoned professional with over three decades of experience across banking, oil & gas, investments management, elections management, and social investment programmes implementation management. He holds a B.Sc. in Microbiology from the Ahmadu Bello University, Zaria, and an MBA from the University of Edinburgh, Scotland. Throughout his career, Abdullahi has demonstrated strong strategic and tactical leadership in various roles.

He has held positions such as Principal Manager at UBA Plc, Executive Assistant to the Group CEO at Oando Plc, and Construction Development Manager and Aviation Manager at Oando Marketing Plc. Abdullahi has also served in key governmental roles, including as Personal Assistant to the INEC Chairman and Chief Recorder during the 2011 and 2015 Presidential Elections Results Collation

He later acted as a Technical Advisor to the Hon. Minister of Humanitarian Affairs, Disaster Management and Social Development. Abdullahi also served as Consultant to the United Nation's Development Programme (UNDP), International Labour Organisation (ILO), the National Institute for Legislative and Democratic Studies (NILDS), Abuja, and the Centre for Democracy & Development (CDD), amongst others. In addition to his professional achievements, Abdullahi is a prolific writer with over a hundred published articles in major national dailies and international media outlets such as USAfricaonline and Pravda. His articles cover a wide range of topical issues.

Report of the Directors

We are pleased to present the Board of Directors' report on the Company's operations, along with the Audited Financial Statements for the year ended 31 December 2024.

1. Legal Form

On 30 May 2014, BUA Cement was incorporated as a limited liability company and began its operations in August 2015. It was subsequently registered as a Public Limited Liability Company on 16 May 2019. Following the successful completion of a business combination with the defunct Cement Company of Northern Nigeria Plc (CCNN) via a scheme of merger on 23 December 2019, the Company was subsequently listed on the Nigerian Exchange Limited on 9 January 2020. As of 31 December 2024, the Company has a market capitalisation of ₦3.15 trillion.

2. Principal Activities

The Company was established with the principal purpose of manufacturing, selling, and marketing of cement to the public.

3. Result for the Year

The Company's results for the year ended 31 December 2024 are set out on page 83. The profit for the year has been transferred to retained earnings. The summarised results are presented below:

₦'000	31 December 2024	31 December 2023
Revenue from contracts with customers	876,469,849	459,998,999
Profit before tax	99,630,184	67,228,176
Income tax	(25,720,949)	2,226,574
Profit after tax	73,909,235	69,454,750

4. Dividend declaration

The Board of Directors ("the Board") proposed for shareholders' approval, the payment of a dividend of ₦2:05K Per one (1) ordinary share of 50 Kobo each, out of the profits declared in the financial year ended 31st December 2024 (2023: ₦2:00). Upon approval, dividends disbursed to shareholders will be subject to withholding tax deductions at the applicable rate at the time of payment.

5. Unclaimed Dividend and Share Certificates

Shareholders are hereby notified that a number of share certificates and dividend warrants, which were returned to the Registrars as unclaimed, are still in the custody of the Registrars. A list of all unclaimed dividends is published on the Company's website at https://www.buacement.com. Affected shareholders are advised to contact the Company's Registrar at 220B, Ikorodu Road, Palmgrove Bus Stop, Somolu, Lagos, or via email at info@africaprudential.com to initiate their claims.

The Company's Registrars have informed us that the total outstanding amount of unclaimed dividend as of 31 December 2024, is Seven Hundred and Fourteen Million, One Hundred and Fifty-One Thousand Naira (₦714,151,000).

6. Directors and Directors' interests

The names and profiles of the Directors who served during the period under review are set out in the corporate information page.

Pursuant to Section 301 of the Companies and Allied Matters Act, 2020 and listing requirements of the Nigerian Exchange Group Limited, below is the list of the Directors' direct and indirect interests in the issued share capital of the Company. These interests have been recorded in the Register of Directors' Shareholding and as set out below:

Report of the Directors Cont'd.

6. Directors and Directors' interests Cont'd.

Directors	Representing	31 December 2024	31 December 2023
Direct holding		**Number of Shares held**	**Number of Shares held**
Abdul Samad Rabiu, CON, CFR		18,974,995,225	18,974,995,225
Yusuf Binji		1,057,883	827,093
Chimaobi Madukwe		845,450	845,450
Kabiru Rabiu		820,000	820,000
Finn Arnoldsen		820,000	820,000
Shehu Abubakar		1,000,000	1,000,000
Chikezie Ajaero		450,000	-
Jacques Piekarski (Resigned)		-	820,000
Ganiat A. Siyonbola		103,000	3,000
Khairat A. Gwadabe		-	-
Indirect holding		**Number of Shares held**	**Number of Shares held**
Abdul Samad Rabiu, CON, CFR	Damnaz Cement Company Limited	637,403,152	637,403,152
	BUA Industries Limited	13,462,681,069	13,462,681,069
	BUA International Limited	8,137,766	8,137,766
Total		**33,088,313,545**	**33,088,352,755**

7. Statistical analysis of the shareholding as at 31 December 2024

Range of Shareholding	Number of Shares Held	Holder %	Holders Cumulative	Units	Units %	Units Cumulative
1-1,000	26,314	63.67%	26,314	8,820,182	0.03%	8,820,182
1001-5000	9,960	24.10%	36,274	21,886,384	0.06%	30,706,566
5001-10000	1,783	4.31%	38,057	13,089,099	0.04%	43,795,665
10001-50000	2,696	6.52%	40,753	60,029,275	0.18%	103,824,940
50001-100000	272	0.66%	41,025	19,411,392	0.06%	123,236,332
100001-500000	215	0.52%	41,240	48,300,596	0.14%	171,536,928
500001-1000000	36	0.09%	41,276	24,723,686	0.07%	196,260,614
1000001-5000000	28	0.07%	41,304	58,817,125	0.17%	255,077,739
5000001-10000000	7	0.02%	41,311	53,469,650	0.16%	308,547,389
10000001-50000000	9	0.02%	41,320	170,618,232	0.50%	479,165,621
50000001-100000000	1	0.00%	41,321	61,380,000	0.18%	540,545,621
100000001-500000000	2	0.00%	41,323	248,728,993	0.73%	789,274,614
500000001-1000000000	1	0.00%	41,324	637,403,152	1.88%	1,426,677,766
1000000001-Above	2	0.00%	41,326	32,437,676,294	95.79%	33,864,354,060
	41,326	**100%**		**33,864,354,060**	**100%**	

8 Shareholding and Substantial Interest in Shares

The issued and fully paid-up share Capital of the Company as of 31 December 2024 is Sixteen Billion, Nine Hundred and Thirty-Two Million, One Hundred and Seventy-Seven Thousand, and Thirty Naira (₦16,932,177,030) divided into Thirty-Three Billion, Eight Hundred and Sixty-Four Million, Three Hundred and Fifty-Four Thousand, Sixty (33,864,354,060) ordinary shares.

According to the Company's register of members as of 31 December 2024, no individual shareholder held more than 5% of the issued share capital of the Company except the following shareholders:

Shareholders	Holdings	% of shareholding
Abdul Samad Rabiu CON, CFR.	18,974,995,225	56.03%
BUA Industries Limited	13,462,681,069	39.75%
Total	**32,437,676,294**	**95.78%**

Report of the Directors Cont'd.

Shareholding Structure as at 31 December 2024

Shareholding by Category

S/N	Holder Type	Holder Count	Holdings	Percentage (%)
1	Corporate	831	14,640,330,585	43.23%
2	Foreign	104	398,714	0.00%
3	Government	50	6,005,133	0.02%
4	Individual	40,124	19,170,238,445	56.61%
5	Institution	88	16,253,787	0.05%
6	Joint	108	1,186,715	0.00%
7	Pension	21	29,940,681	0.09%
	Total	**41,326**	**33,864,354,060**	**100%**

9. Property, Plant and Equipment

Details regarding changes in property, plant and equipment for the year ended 31 December 2024, are outlined in Note [2.3]. According to the Board of Directors, the market value of the Company, as well as its property and equipment, is not less than the value presented in the financial statements.

10. Charitable and Political Donations

As required by Section 43(2) of the Companies and Allied Matters Act 2020, the Company did not contribute any funds or gifts to any political party, political groups, or for any political objective during the year under review.

However, in line with its policy on social development and community enhancement, the Company made charitable donations totalling ₦1.73 billion (2023: ₦1.06 billion).

A detailed list of the recipient organisations and the corresponding donation amounts is provided in the table below:

Beneficiary	Amount ₦'000
Road construction - Benin-Okene Exp - Afokpella road	325,953
Annual development levy to Okpella town	200,000
Annual development levy to Egbetua town Ososo	33,333
Reactivation of 12 boreholes-Okpella	3,000
Donation of 3 boreholes with overhead tanks - Imiefo kindred- Okpella	31,766
Installation of 300 units solar street lights in Okpella	127,504
Scholarship award to Okpella students	85,785
BUA Cement Scholarships for 2024 in Sokoto (Wamakko) Kebbi, Zamfara	14,600
Construction of solar powered motorized boreholes in Gantsare, Gidan Gamba, Asare Gawo, Gidan Marafa, Kanwuri, Illela, Gidan Baduwa, Asare Gari & Gidan Maituta.	151,498
Installation of double branch solar security lights on Kalambaina Road, Wammakko junction & other villages	90,734
Renovation of classrooms at Gantsare community primary school, Gantsare Village Wamakko	2,016
Construction of 10,000 gallons piessed steel tank at gamba at Gidan Gamba Village	6,945
Construction of 1 ring culvert at main access road for Dagelawa Village Wamakko	3,839
Construction of drainage at Wajake District Wamakko	4,924
Donation of 10 Units of Hiluxes to Sokoto State Government for insecurity fighting & traffic controls	555,000
Construction of concrete poles at Gidan Yero Village	4,795
Constrcution of concrete slope protection culvert at Asare Gari Village Wamakko	2,128
Renovation of 6 toilets and conversion of motorized (electric) borehole to solar-powered in Almajiri School Wamakko	9,238
Installation of 200KVA/11KV transformer at Guiwa Eka	19,599
Repairs of power line at Gidan Yero Village	7,756
Sponsorship of Sokoto Cement Primary School	48,006
Total	**1,728,419**

Report of the Directors Cont'd.

11. Acquisition of own shares

During the year under review, the Company did not acquire any of its shares.

12. Free Float Declaration

As of 31 December 2024, BUA Cement Plc has a free float value of ₦72,171,767,895, meeting the free float requirements for listing on the Main Board of the Nigerian Exchange Group Limited.

Share Price at end of reporting period:		₦93.00
Description	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	33,864,354,060	100
Details of Substantial Shareholdings (5% and above)		
Abdul Samad Rabiu CON, CFR.	18,974,995,225	56.03
BUA Industries Limited	13,462,681,069	39.75
Total Substantial Shareholdings	**32,437,676,294**	**95.79**
Directors' Shareholdings (direct and indirect), excluding Directors with substantial interests		
Abdul Samad Rabiu CON, CFR. - Indirect (Damnaz Cement Company Limited)	637,403,152	1.88
Abdul Samad Rabiu CON, CFR. - Indirect (BUA International)	8,137,766	0.02
Yusuf Binji- Direct	1,057,883	-
Chikezie Ajaero	450,000	-
Kabiru Rabiu- Direct	820,000	-
Kenneth Madukwe - Direct	845,450	-
Finn Arnoldsen- Direct	820,000	-
Shehu Abubakar- Direct	1,000,000	-
Ganiat Adetutu Siyonbola	103,000	-
Total Directors' Shareholdings	**650,637,251**	**1.90**
Other Influential Shareholdings	-	-
Total Other Influential Shareholdings	-	-
Free Float in Units and Percentage	**776,040,515**	**2.29**

BUA Cement Plc with a free float value of ₦72,171,767,895 as at 31 December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board

13. Human Resources Policy

i. Recruitment

The Company adheres strictly to all legal and regulatory requirements in its recruitment processes, ensuring that only qualified and suitable candidates are appointed to the Board or senior executive positions. All appointments follow established pre-employment assessments and screening procedures, in full compliance with applicable regulatory and industry standards.

ii. Employee health, safety and welfare

The Company is committed to maintaining a safe and healthy work environment that fosters the overall well-being of its employees, ensuring they thrive both physically and emotionally.

iii. Employment of disabled persons

The Company upholds equal employment opportunities for all applicants, including people living with disabilities. Discrimination of any kind in the hiring process is strictly prohibited, and all employees, regardless of disability, are provided equal opportunities for career growth and development. This commitment reflects our dedication to creating an inclusive workplace that embraces diversity and promotes fairness.

Report of the Directors Cont'd.

iv. Employee involvement and training

At the heart of our Company's philosophy is the recognition that our employees are our greatest assets, and their skills and potential must be nurtured to support both their personal growth and the Company's success. In line with our commitment to employee development, we place strong emphasis on providing continuous training and learning opportunities. We prioritise empowering our employees by sponsoring relevant local and international training programs that enhance their skills, expand their knowledge, and strengthen their capabilities to support the achievement of the organisation's objectives.

At BUA Cement Plc, we recognise the crucial role our employees play in driving the success of our business. We foster an inclusive and collaborative work environment where every employee is encouraged to contribute ideas and actively participate in the Company's growth. To achieve this, we have implemented robust communication channels that keep employees informed about the Company's performance and strategic direction, while promoting the exchange of feedback and ideas to improve our operations.

Our regular staff meetings serve as a platform for employees to share ideas and perspectives, with selected suggestions escalated to the Board for consideration. Additionally, we encourage greater employee involvement in the Company's success through well-structured incentive programs that motivate staff to take ownership and foster a stronger sense of commitment to the organisation's goals. These initiatives ensure that all employees remain fully engaged and play a key role in the Company's continued growth and success.

At the Board level, Directors attended various training sessions during the year under review, covering different key areas such as finance, law, audit, and compliance.

14. Directors Interest in Contracts

During the year under review, no Director notified the Company, as required by Section 303 of the Companies and Allied Matters Act, 2020, of any membership in or shareholding of companies that could be considered related parties in any contracts the Company was involved in as at 31 December 2024.

15. Events after reporting period

There were no events after the reporting date that had, or could reasonably be expected to have, a material impact on the Company's financial position, performance, or disclosures for the year ended 31 December 2024.

16. Approval of financial statements

The Directors have approved the audited financial statements for the year ended 31 December 2024 on 27 February 2025, for issuance.

17. Independent auditor

Throughout the year under review, PricewaterhouseCoopers ("PwC") served as the Company's Independent Auditor. As per Section 401 of the Companies and Allied Matters Act (CAMA) 2020, PwC has confirmed their willingness to continue as the Company's Independent Auditor. A resolution will be presented at the General Meeting to authorise the Directors to determine their remuneration.

By order of the Board of Directors

Hauwa Satomi (Mrs.)
Company Secretary
FRC/2022/PRO/NBA/002/00000023786
BUA Cement Plc,
Lagos, Nigeria.
27 February 2025.

Notice of the 9th Annual General Meeting

Notice is hereby given that the 9th Annual General Meeting of BUA Cement Plc ("the Company") will hold on Monday, 21st July 2025, at Congress Hall, Transcorp Hilton Hotel, No. 1, Aguiyi-Ironsi Street, Maitama, Abuja at 11:00 AM, to transact the following businesses:

Ordinary Business

1. To lay before the Members the Audited Financial Statements for the year ended 31st December 2024, together with the reports of the Directors, External Auditors, and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect the following Directors retiring by rotation:
   i. Khairat Abdulrazaq-Gwadabe
   ii. Shehu Abubakar
   iii. Finn Arnoldsen: *Special notice is hereby given to re-elect Finn Arnoldsen as a Director of the Company, notwithstanding that he is over 70 years old.*
4. To authorise the Directors to fix the remuneration of the Auditors for the 2025 Financial Year.
5. To elect members of the Audit Committee.
6. To disclose the remuneration of the Managers of the Company.

Special Business

7. To approve the remuneration of the Non-Executive Directors.
8. To consider and pass this resolution as an ordinary resolution:

   In accordance with Rule 20.8(a) of the Nigerian Exchange Limited Rules governing transactions with Related Parties or Interested Persons, that the general mandate granted to the Company to procure goods and services and enter into such incidental transactions necessary for its day-to-day operations from its related parties or interested persons on normal commercial terms be and is hereby renewed.

BY ORDER OF THE BOARD

Hauwa Satomi
Company Secretary/Chief Legal Officer
PC 32, Churchgate Street, Victoria Island Lagos
FRC/2022/PRO/NBA/002/00000023786

NOTES

1. PROXY
A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of proxy to be valid, a proxy form must be completed, duly stamped by the Commissioner of Stamp Duties, and deposited either at the office of the Company's Registrars, Africa Prudential Plc, 220B, Ikorodu Road, Palmgrove, Lagos Nigeria, or via e-mail at **cxc@africaprudential.com** not later than 48 hours before the time fixed for the Meeting. A blank proxy form is enclosed in the Annual Report and can also be accessed at the Company's website **https://www.buacement.com**.

2. STAMPING OF PROXY
The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

3. LIVE STREAMING OF THE AGM
The link for the AGM live streaming will be made available on the Company's website at **https://www.buacement.com**.

4. CLOSURE OF REGISTER OF MEMBERS
The Register of Members will be closed from the **4th of July 2025 to 8th of July 2025** for the purpose of updating the Register and paying dividends.

5. DIVIDEND PAYMENT
If the Dividend payment of ₦2.05 per share recommended by the Directors is approved, the dividend will be posted electronically on **Monday, 21st July 2025** to all the Shareholders whose names appear in the Company's Register of Members as at the close of business on **Thursday, 3rd of July 2025**, and who have completed the e-dividend registration and have mandated the Registrars to pay dividend directly into their bank accounts.

6. STATUTORY AUDIT COMMITTEE
In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall comprise five members consisting of three Shareholders and two Non-Executive Directors. Pursuant to Section 404(6) of the Companies and Allied Matters Act 2020, any member may nominate a Shareholder for appointment to the Audit Committee by submitting a written notice of nomination to the Company Secretary, at least 21 days before the Annual General Meeting. Additionally, the Financial Reporting Council's Nigerian Code of Corporate Governance (2018) requires all Audit Committee members to be financially literate and capable of reading and understanding Financial Statements. To ensure compliance, each nomination must be accompanied by a detailed Curriculum Vitae confirming the nominee's qualifications.

7. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS
Shareholders have the right to ask questions both during the Meeting and in writing before the Meeting on any matter in the Annual Report and Accounts. Written questions should be submitted to the Company Secretary at least two days before the Annual General Meeting.

8. ELECTRONIC ANNUAL REPORT
The electronic version of the Annual Report is available on the Company's website at **https://www.buacement.com** and will be sent to shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the electronic version of the Annual Report may request it via email to **info@africaprudential.com**.

9. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES
Shareholders are hereby notified that a number of share certificates and dividend warrants, which were returned to the Registrars as unclaimed, are still in the custody of the Registrars. A list of the unclaimed dividends is published on the Company's website at **https://www.buacement.com**. Affected shareholders are advised to contact the Company's Registrar at 220B, Ikorodu Road, Palmgrove Bus Stop, Somolu, Lagos, or via email at **cxc@africaprudential.com** to initiate their claims.

10. E-DIVIDEND
Shareholders are encouraged to open bank accounts, stockbroking accounts, and CSCS accounts to facilitate dividend payments, in compliance with the directives of the Securities and Exchange Commission. A detachable e-dividend application form is attached to the Annual Report to enable shareholders to provide their account details to the Registrar promptly.

11. DIRECTORS' PROFILE
The profiles of the Directors are included in the Annual Report and are also available on the Company's website - **https://www.buacement.com**.

12. NO VOTING BY INTERESTED PARTIES
In accordance with Rule 20.8(c) of the Nigerian Exchange Limited's Rules on Related Party Transactions, interested parties have undertaken to ensure that their proxies, representatives, or associates abstain from voting on **Resolution 8**.

Risk Management

A. Introduction

At BUA Cement, our Enterprise-Wide Risk Management (ERM) framework outlines the Company's approach to identifying, evaluating, and managing risks across the organisation. The Board of Directors play a central role in ensuring that all risk-related policies and procedures are properly aligned with the Company's strategic objectives and risk appetite.

We employ a top-down and bottom-up approach to risk identification and mitigation. This process is led by the Management's Risk Committee which comprises representatives from various departments across the Company. These members are equipped with the expertise to recognise risk factors emerging from our business operations and the broader global and domestic environments. They proactively evaluate trends that could pose potential disruptions or present strategic opportunities as BUA Cement pursues its business objectives.

The Risk Management Committee engages with designated risk owners to either mitigate potential adverse impacts or leverage emerging opportunities. Our ERM framework is fully aligned with the Risk Management Policy introduced in 2020.

B. Our ERM Framework

Our ERM framework facilitates a structured and proactive approach to risk management. It enables the identification, assessment, mitigation and continuous monitoring of risks through clearly defined lines of defence, which consists of: the Board of Directors, the Risk Management Committee and the Management's Risk Committee (Figure 1). Additionally, external auditors contribute to the process by providing independent assessments, which are submitted to the Statutory Audit Committee, the Risk Management Committee, and the Board Audit Committee.

Figure 1: ERM Framework

To ensure robust reinforcement and alignment of risk management practices across all operational levels, BUA Cement has instituted a three-tier governance structure as outlined below:

1. BOARD OF DIRECTORS

The Board consists of nine members: a Chairman, three Non-Executive Directors, three Independent Directors, and two Executive Directors. It is responsible for defining the vision, mission, and strategic direction of BUA Cement, and guides the Management in the formulation and implementation of operational policies. It also evaluates both current and future global and domestic opportunities and threats, sets the overarching policy and management objectives, ensuring their alignment with the Company's long-term goals and authorises risk management policies and monitors their implementation to safeguard the Company's interests.

2. RISK MANAGEMENT COMMITTEE

This Committee comprises five members and is chaired by a Non-Executive Director. The Committee is responsible for the alignment of medium and long-term strategies, in line with acceptable risk appetites for the business. In addition, it evaluates and monitors internal control policies to ensure risks are given appropriate consideration.

3. MANAGEMENT'S RISK COMMITTEE

BUA Cement operates two Management's Risk Committees—one at each plant location. These Committees consist of over 20 members, led by the Risk Manager, who is part of the Management Team. The Committee is responsible for identifying and assessing potential risks across various operational areas; classifying these risks as low, medium, or high based on their likelihood and potential impact; conducting monthly reviews of both existing and emerging risks; and recommending appropriate mitigation strategies to ensure effective risk management; maintaining and periodically updating the Company's Risk Register to reflect current realities; preparing quarterly reports with actionable recommendations, which are submitted to the Board through the Risk Management Committee.

C. Risk Management Process

BUA Cement's risk management process is structured into four key stages to ensure comprehensive identification, evaluation, response, and monitoring of risks across all areas of the business:

1. RISK IDENTIFICATION

This is the first step in our risk management process and is driven by the adoption of three techniques namely: data gathering from reliable sources, risk surveys and risk brainstorming (Figure 2). Under the risk survey measure, questionnaires are administered to individuals with appropriate knowledge and skill, across every unit in the Company, requesting them to identify risks, state probable consequences and who should be responsible for the risk(s) identified. The information obtained through these methods is reviewed and deliberated upon by the Management's Risk Committee to ensure accuracy and completeness.

2. RISK ASSESSMENT

This involves careful examination of risks, root causes, mitigation controls, likelihood of occurrence and impact, should such identified risks crystallise. Each risk is assessed on both an inherent basis (before controls are applied) and a residual basis (after mitigation controls are considered), enabling informed prioritisation and resource allocation.

3. RISK MITIGATION

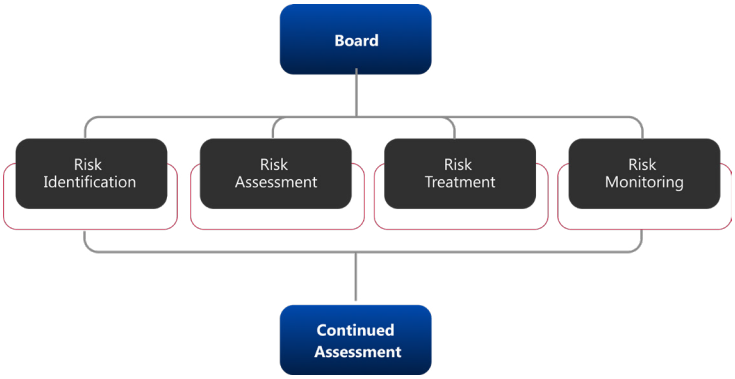
Following the assessment, the Risk Management Committee determines the most suitable response strategy, in line with BUA Cement's defined risk appetite. The available risk response techniques include avoiding the risk entirely; accepting the risk, where it falls within tolerance level; reducing the risk through additional controls; transferring the risk, such as via insurance

Risk Management Cont'd.

or outsourcing. A quarterly report containing the assessment and recommended actions is compiled by the Management's Risk Committee and escalated to the Board through the Risk Management Committee. The Board reviews and approves actions for implementation by the Management Team.

4. MONITORING AND CONTROL

Monitoring ensures the continued relevance and effectiveness of risk responses. This includes evaluating the performance of mitigation strategies; making necessary adjustments based on evolving risk landscapes; ensuring alignment with BUA Cement's corporate culture, values, and strategic objectives. The Management's Risk Committee conducts monthly assessments and submits quarterly monitoring reports to the Board via the Risk Management Committee. This ensures a continuous feedback loop that supports dynamic and adaptive risk management.



D. Risk incidents and review in 2024.

In 2024, the Risk Management Committee actively monitored events in both domestic and international environments, assessing their potential impact on BUA Cement's operations and strategic objectives. The Management's Risk Committee conducted a detailed review of incidents and exposures, categorising them into five core areas: Operational Risk, Business Risk, Financial Risk, Reputational Risk, and Market Risk.

The following risk areas were of particular concern due to their potential to affect strategic execution, operational stability, and profitability:

1. Energy & Power Generation

The commissioning of new production lines at the Sokoto and Obu plants led to increased energy requirements. Concurrently, the devaluation of the Naira—approximately 70%—created supplier reluctance in fulfilling LNG contracts at the Sokoto Plant, prompting requests for price renegotiation. In addition, the plant experienced low gas pressure, resulting in power rationing.

Risk Mitigation Measures:

- Agreed to price reviews with the suppliers.
- Commissioned a coal mill at Obu Plant to further diversify our source of energy.
- Exploring sources of alternative energy.
- Obtained a license for direct lifting of LPFO from Nigerian Midstream and Downstream Petroleum Regulatory Authority.
- Engaged the services of reliable transporters.

2. Production & Sustaining Demand

With a national infrastructure and housing gap driving demand, the commissioning of new production lines increased pressure on quarry equipment, spare parts, and manpower.

Risk Mitigation Measures:

- Procured additional quarry equipment to support limestone extraction.
- Hired additional equipment operators to boost operational efficiency.
- Conducted price reviews to ensure continuity in the supply of local gypsum.

3. Financial Risk

Ongoing currency volatility contributed to significant increases in both financial and operational costs. Strategic actions were taken to mitigate exposure to foreign exchange risk.

Risk Mitigation Measures:

- Diversified sourcing of foreign exchange to reduce dependency on a single channel.
- Accelerated repayment of foreign currency obligations.
- Increased use of locally improvised spare parts in place of imported alternatives.

4. Security and Community Issues

As part of our commitment to stakeholder engagement and sustainability, the safety of employees and the surrounding communities remained a priority.

Risk Mitigation Measures:

- Continued investment in strong community relations and engagement.
- Installed biometric access gates and expanded CCTV surveillance coverage.
- Increased budget allocation for Corporate Social Responsibility (CSR) programs.

5. Market Risks:

The year saw heightened competition within the cement industry due to the entry of a new player, and the acquisition of another player. These developments intensified pricing pressures and market share contestation.

Risk Mitigation Measures:

- Reintroduced strategic incentives, including lifting bonuses, in selected key markets.
- Maintained a quality advantage over competitors to preserve brand loyalty.
- Engaged in direct dialogue between senior management and major dealers to assess evolving needs.
- Strategically partitioned plant market focus—allocating the North to Sokoto and the South to Obu to avoid intra-brand competition.

Cement
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CEMENT
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BUA
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Financial Information

04

70	Statement of Directors' Responsibilities
71	Statement of Corporate Responsibilities over Financial Reporting
72	Management's Certification on Internal Control over Financial Reporting
74	Management's Annual Assessment of and Report on Internal Control over Financial Reporting
75	Report of the Audit Committee
77	Independent Auditor's Report
81	Independent Practitioner's Report
83	Statement of Profit or Loss and Other Comprehensive Income
84	Statement of Financial Position
85	Statement of Changes in Equity
86	Statement of Cash Flows
88	Notes to the Financial Statements
131	Statement of Value Added
132	Five-Year Financial Summary
133	Share Capital History

Statement of Directors' Responsibilities

The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Abdul Samad Rabiu CON, CFR
Chairman
FRC/2014/IODN/00000010111

27 February 2025

Chikezie Ajaero
Chief Financial Officer
FRC/2014/ICAN/00000010408

27 February 2025

Yusuf Binji
Managing Director
FRC/2013/NSE/00000001746

27 February 2025

Statement of Corporate Responsibilities over Financial Reporting

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the Audited Financial Statements of BUA Cement Plc ("BUA Cement" or "Company") for the year ended December 31, 2024.

We acknowledge our responsibility for establishing and maintaining internal controls within BUA Cement and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the Company, particularly during the period in which the Audited Financial Statements were prepared.

We have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Company's internal controls are effective as of that date.

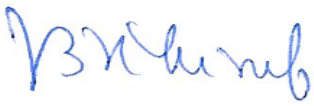
We also confirm that the Company's Auditors and Audit Committee have been informed about the following:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's Auditors any deficiency in internal controls, and

(ii) that there are no fraud that involves management or other employees who have a significant role in the Company's internal control;

During the year, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the Financial Statements do not contain any untrue statement of material fact or material omission that may make the Financial Statements misleading and the Financial Statements fairly presents in all material respects the financial condition and results of operations of the Company for the year ended December 31, 2024.



Yusuf Binji
Managing Director/Chief Executive Officer
FRC/2013/NSE/00000001746

27 February 2025

Chikezie Ajaero
Chief Financial Officer
FRC/2014/ICAN/00000010408

27 February 2025

Management's Certification on Internal Control over Financial Reporting

I, Yusuf H. Binji, certify that:

a) We have reviewed the report of management on the internal control system of BUA Cement Plc;

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on our knowledge, the financial statements, and other financial information, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for the periods presented;

d) The Company's other certifying officer(s) and we:

- are responsible for establishing and maintaining internal controls;
- have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The Company's other certifying officer(s) and we have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
- Any fraud, whether or not material that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company's other certifying officer(s) and we have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Yusuf Binji
Managing Director/Chief Executive Officer
FRC/2013/NSE/00000001746

27 February 2025

Management's Certification on Internal Control over Financial Reporting

I, Chikezie Ajaero, certify that:

a) We have reviewed the report of management on the internal control system of BUA Cement Plc;

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on our knowledge, the financial statements, and other financial information, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for the periods presented;

d) The Company's other certifying officer(s) and we:

- are responsible for establishing and maintaining internal controls;
- have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company and its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- have evaluated the effectiveness of the Company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The Company's other certifying officer(s) and we have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the Audit Committee of the Company's Board of Directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
- Any fraud, whether or not material that involves management or other employees who have a significant role in the Company's internal control system.

f) The Company's other certifying officer(s) and we have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Chikezie Ajaero
Chief Financial Officer
FRC/2014/ICAN/00000010408

27 February 2025

Management's Annual Assessment of, and Report on Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of BUA Cement Plc for the year ended 31 December 2024:

i) BUA Cement Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii) BUA Cement Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii) BUA Cement Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.

iv) BUA Cement Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statement, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of BUA Cement Plc's annual report.

Yusuf Binji
Managing Director/Chief Executive Officer
FRC/2013/NSE/00000001746

27 February 2025

Chikezie Ajaero
Chief Financial Officer
FRC/2014/ICAN/00000010408

27 February 2025

Report of the Audit Committee

The Audit Committee is pleased to present this report for the financial year ended 31 December 2024 in compliance with Section 404 (7) of the Companies and Allied Matters Act 2020. The Committee has the oversight responsibility for the Company's financial statements.

The Audit Committee is an independent statutory committee appointed by the shareholders and the Board. The Committee performs its functions on behalf of BUA Cement Plc.

Audit Committee terms of reference

The Audit Committee has adopted a formal terms of reference as contained in its charter that has been approved by the Board of Directors. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. It reports its findings to the Board and the Shareholders at the Annual General Meeting.

The Committee comprises three shareholders, one of whom chairs it, and two Non-Executive Directors nominated by the Board and meets quarterly or whenever the need arises.

The Audit Committee meets at least four times per annum with authority to convene additional meetings as circumstances require.

Executive Directors, external auditors, internal auditors, financial management and other assurance providers attend meetings by invitation only.

Below is the list of members and the number of meetings held during the year.

Names	Date of meeting and attendance				
	26/2/2024	23/04/2024	23/07/2024	22/10/2024	12/10/2024
Ajibola A. Ajayi	P	P	P	P	P
Kabiru A. Tambari	P	P	P	P	P
Oderinde Taiwo	P	P	P	P	P
Kabiru Rabiu	P	P	P	P	P
Ganiat A. Siyonbola	P	P	P	P	P

Note : P = Present

Roles and responsibilities

The Audit Committee carried out its functions through the attendance of Audit Committee meetings and discussions with executive management, the Head of the internal audit and external auditors.

Statutory duties

The Audit Committee's role and responsibilities are as stipulated by section 404 (7) of the Companies and Allied Matters Act, 2020.

The Audit Committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

External auditor appointment and independence

In terms of the provisions of the Companies and Allied Matters Act, the Audit Committee has satisfied itself that the external auditor, PricewaterhouseCoopers, is independent of the Company and has ensured that the appointment of the auditor complied with the Companies and Allied Matters Act and any other legislation relating to the appointment of auditors.

The Committee in consultation with executive management agreed to the engagement letter, terms, audit plan and budgeted fees for the year ended 31 December 2024.

Report of the Audit Committee Cont'd.

Financial statements and accounting practices

The Audit Committee has reviewed the accounting policies and the financial statements of the Company and is satisfied that they are appropriate and comply with the IFRS Accounting Standards, the Companies and Allied Matters Act and the Securities and Exchange Commission listing requirements.

Internal financial controls

The Audit Committee has overseen a process by which internal audit performed an assessment of the effectiveness of the Company's system of internal control, including internal financial controls. The Audit Committee is satisfied with the effectiveness of the Company's internal financial controls.

Duties assigned by the Board

In addition to the statutory duties of the Audit Committee as reported above, the Board of Directors has determined further functions for the audit committee to perform. These functions include the following:

In compliance with the Provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we report as follows:

- We have ascertained and hereby confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- The scope and planning of audit requirements for the year ended 31 December 2024 are adequate;
- We are satisfied with the External Auditors' Management Report for the year ended 31 December 2024, as well as the response of the Management thereto.

Mr. Ajibola Ajayi FCA, CFA
Chairman Audit Committee
FRC/2015/ICAN/00000011387

26 February 2025.

AUDIT COMMITTEE MEMBERS:

Ajibola Ajayi FCA, CFA	Chairman - Independent shareholder
Oderinde Taiwo	Member - Independent shareholder
Kabiru A. Tambari	Member - Independent shareholder
Kabiru Rabiu	Member - Director
Ganiat A. Siyonbola	Member - Director

Ajibola Ajayi
Chairman - Independent shareholder

Oderinde Taiwo
Member - Independent shareholder

Kabiru A. Tambari
Member - Independent shareholder

Kabiru Rabiu
Member - Director

Ganiat A. Siyonbola
Member - Director

Independent Auditor's Report

Independent auditor's report

To the Members of BUA Cement Plc

Report on the audit of the financial statements

Our opinion

In our opinion, BUA Cement Plc's ("the company's") 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 International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

BUA Cement Plc's financial statements comprise:

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

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

PricewaterhouseCoopers Chartered Accountants Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Provision for decommissioning liabilities (Refer to notes 2.15, 4.2 and 23 to the financial statements) As at 31 December 2024, the directors recognised provision for decommissioning liabilities amounting to N52.1 billion in relation to the restoration of active mining quarry sites to acceptable land use conditions. We focused on this area due to the materiality of the provision and because the directors exercised significant judgement in estimating the liabilities. Areas where significant judgements were exercised by the directors include: • methodology used by management's experts in determining the present value of the estimated future restoration costs using current prices adjusted for inflation and discounted using a risk-free rate; and • determining the useful lives of mining quarry sites, mineable reserves and actual resources mined used in the decommissioning liabilities model.	We adopted a substantive approach in assessing the provision for decommissioning liabilities. Specifically, we performed the following procedures: • Assessed the professional competence and objectivity of the in-house and external experts. • Gained an understanding of methodology applied by the directors and the experts in estimating the future restoration costs, useful lives of mining quarry sites and mineable reserves used in the decommissioning liabilities computation. • Tested the reasonableness of key data input used in the decommissioning liabilities computation, such as mineable reserves, actual resources mined, useful lives of mining quarry sites and estimated future restoration costs. Specifically; - we traced the actual resources mined to the company's underlying records; - checked useful life of the mineable reserves against the mining license; - with the help of our IFRS specialists, we checked the estimated future restoration costs by testing the appropriateness of the risk-free discount rate for each of the pits and the inflation rate and benchmarked them against reliable external sources; - we agreed the mineable reserves to the external experts' report. • Tested the decommissioning liabilities calculations prepared by the directors, including the present value of future costs and the interest expense on the liabilities, by reviewing the formulae and methodology applied for reasonableness. • Evaluated appropriateness of the related disclosures in accordance with the applicable financial reporting framework.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors, Corporate Governance Report, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities Over Financial Reporting, Management's Annual Assessment of, and Report on, Internal Control Over Financial Reporting, Management's Certification on Internal Control Over Financial Reporting, Statement of Value Added and Five-Year Financial Summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the BUA Cement Plc 2024 Annual Report, which are expected to be made available to us after that date.

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

Independent Auditor's Report

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

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

When we read the other sections of the BUA Cement Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act,2023, 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, 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

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of BUA Cement Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified report in our report dated 28 February 2025.

Oladele Oladipo

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

28 February 2025

Engagement Partner: Oladele Oladipo
FRC/2013/PRO/ICAN/004/00000002951

Independent Practitioner's Report

Independent practitioner's report

To the Members of BUA Cement Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of BUA Cement Plc ("the company's") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on BUA Cement Plc's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

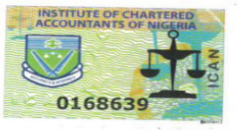
PricewaterhouseCoopers Chartered Accountants Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Independent Practitioner's Report

controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of BUA Cement Plc and our report dated 28 February 2025 expressed an unqualified report.



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894

28 February 2025

Engagement Partner: Oladele Oladipo
FRC/2013/PRO/ICAN/004/00000002951

Statement of Profit or Loss and other Comprehensive Income

₦'000	Notes	31 December 2024	31 December 2023
Revenue from contracts with customers	5	876,469,849	459,998,999
Cost of sales	6	(576,212,917)	(276,043,486)
Gross profit		**300,256,932**	**183,955,513**
Administrative expenses	7(a)	(22,061,895)	(12,296,007)
Foreign exchange loss - net	7(b)	(92,105,319)	(69,956,047)
Distribution and selling expenses	8	(42,858,640)	(29,068,304)
Impairment loss on financial assets	10	(311)	(45)
Other income	11	1,063,756	2,062,130
Operating profit		**144,294,523**	**74,697,240**
Finance income	12(a)	18,190,652	12,882,124
Finance cost	12(b)	(60,041,983)	(19,936,889)
Net finance cost		(41,851,331)	(7,054,765)
Minimum tax charge	13(a)	(2,813,008)	(414,299)
Profit before tax		**99,630,184**	**67,228,176**
Income tax (expense)/ credit	13(a)	(25,720,949)	2,226,574
Profit after tax		**73,909,235**	**69,454,750**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligations (net of tax)	14(b)	(2,856,442)	(522,951)
Other comprehensive income for the year (net of tax)		(2,856,442)	(522,951)
Total comprehensive income for the year		**71,052,793**	**68,931,799**
Earnings per share			
Basic and diluted (Naira)	**28**	**2.18**	**2.05**

The results shown above relate to continuing operations.

The notes on pages 88 to 132 are an integral part of these financial statements

Statement of Financial Position

₦'000	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	15	1,182,476,535	803,502,888
Right-of-use assets	16(a)	83,750	115,627
Intangible assets	17	13,355,043	12,821,664
		1,195,915,328	**816,440,179**
Current assets			
Inventories	18	159,797,427	85,805,780
Trade receivables	20	228,544	63,615
Prepayments and other assets	21	106,889,873	84,994,536
Due from related parties	30(b)	22,771,443	3,304,738
Cash and cash equivalents	19	84,749,250	225,077,529
		374,436,537	**399,246,198**
Total assets		**1,570,351,865**	**1,215,686,377**
Liabilities			
Non-current liabilities			
Bank borrowings	24	444,824,129	295,467,446
Debt security issued	25	57,252,784	114,124,633
Employee benefit obligations	14	7,134,372	4,572,204
Deferred tax liabilities	13(c)	47,973,774	13,783,316
Government grant	26(a)	1,463,930	2,104,800
Provision for decommissioning liabilities	23	48,600,112	23,480,729
		607,249,101	**453,533,128**
Current liabilities			
Lease liabilities	16(b)	88,171	73,867
Contract liabilities	5(b)	113,936,226	105,115,874
Trade and other payables	22	377,073,124	81,964,317
Due to related parties	30(b)	-	51,118,269
Current income tax liabilities	13(b)	2,470,056	13,564,271
Bank borrowings	24	48,314,584	122,689,462
Debt security issued	25	28,489,096	-
Government grant	26(a)	640,870	753,967
Provision for decommissioning liabilities	23	3,542,402	1,649,072
		574,554,529	**376,929,099**
Total liabilities		**1,181,803,630**	**830,462,227**
Equity attributable to shareholders			
Ordinary share capital	27	16,932,177	16,932,177
Retained earnings		175,699,140	169,518,613
Reorganisation reserve		200,004,179	200,004,179
Defined benefit plan reserve		(4,087,261)	(1,230,819)
Total equity		**388,548,235**	**385,224,150**
Total equity and liabilities		**1,570,351,865**	**1,215,686,377**

The notes on pages 88 to 132 are an integral part of these financial statements.
The financial statements and other national disclosures on pages 83 to 132 were approved and authorised for issue by the Board of Directors on 27th February 2025 and were signed on its behalf by:

Abdul Samad Rabiu, CON, CFR.
Chairman
FRC/2014/IODN/00000010111

Chikezie Ajaero
Chief Financial Officer
FRC/2014/ICAN/00000010408

Yusuf Binji
Managing Director/Chief Executive Officer
FRC/2013/NSE/00000001746

Statement of Changes in Equity

₦'000	Share capital	Defined benefit plan reserve	Retained earnings	Reorganisation reserve	Total
Balance at 1 January 2023	**16,932,177**	**(707,868)**	**194,884,054**	**200,004,179**	**411,112,542**
Comprehensive income					
Profit for the year	-	-	69,454,750	-	69,454,750
Other comprehensive (loss) for the year (Note 14b)	-	(522,951)	-	-	(522,951)
Total comprehensive income	**-**	**(522,951)**	**69,454,750**	**-**	**68,931,799**
Transactions with owners:					
Dividend declared and paid to BUA Cement Plc's shareholders	-	-	(94,820,191)	-	(94,820,191)
	-	-	(94,820,191)	-	(94,820,191)
Balance at 31 December 2023	**16,932,177**	**(1,230,819)**	**169,518,613**	**200,004,179**	**385,224,150**
Balance at 1 January 2024	**16,932,177**	**(1,230,819)**	**169,518,613**	**200,004,179**	**385,224,150**
Comprehensive income					
Profit for the year	-	-	73,909,235	-	73,909,235
Other comprehensive (loss) for the year (Note 14b)	-	(2,856,442)	-	-	(2,856,442)
Total comprehensive income	**-**	**(2,856,442)**	**73,909,235**	**-**	**71,052,793**
Transactions with owners:					
Dividend declared and paid to BUA Cement Plc's shareholders	-	-	(67,728,708)	-	(67,728,708)
	-	**-**	**(67,728,708)**	**-**	**(67,728,708)**
Balance at 31 December 2024	**16,932,177**	**(4,087,261)**	**175,699,140**	**200,004,179**	**388,548,235**

Reorganisation reserve consists of the Company's merger transactions with entities under common control.

The notes on pages 88 to 132 are an integral part of these financial statements.

Statement of Cash Flows

₦'000	Notes	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit before income tax		99,630,184	67,228,176
Adjustment for non-cash items:			
Net impairment loss on financial assets	10	311	45
Write-off of trade receivables	20(ii)	-	3,238
Unrealised foreign exchange loss	7(b)	92,105,319	69,956,047
Unrealised foreign exchange gain on cash and cash equivalents		(98,091,177)	(43,890,347)
Decommissioning liabilities adjustment	6	(2,548,608)	-
Gains on disposal	15(d)	(900)	-
Amortisation of government grant	11	(753,967)	(862,495)
Depreciation of property, plant and equipment	15	34,790,615	24,986,201
Amortisation of intangible assets	17	613,450	411,112
Finance income	12(a)	(18,190,652)	(12,882,124)
Finance cost	12(b)	60,041,983	19,936,889
Minimum tax	13(a)	2,057,862	414,299
Current service cost - Defined benefit plan	14(b)	505,897	338,639
Recultivation cost	23(a)	9,600	9,600
Plan participant contribution	14(b)	(462,627)	(286,092)
Depreciation of right-of-use asset	16(a)	110,434	96,695
Operating cash flows before movements in working capital		**169,817,724**	**125,459,883**
Movement in working capital:			
Increase in contract liabilities	5(b)	8,820,352	12,949,372
Increase in inventories	18	(73,991,647)	(33,338,323)
Increase in trade and other receivables	20	(165,240)	(49,328)
Increase in prepayments and other assets	21	(11,410,073)	(4,304,150)
Increase/(decrease) in trade and other payables	22(b)	386,113,536	(15,016,489)
(Increase)/decrease in amounts due from related parties	30(d)	(19,466,705)	13,242,854
Decrease/(increase) in amounts due to related parties	30(e)	(51,118,269)	51,118,269
Cash generated from operations		**408,599,678**	**150,062,088**
Tax paid	13(b)	(2,477,726)	(2,068,880)
Defined benefit paid during the year	14(b)	(868,867)	(380,905)
Net cash flow from operating activities		**405,253,085**	**147,612,303**
Investing activities			
Purchase of property, plant and equipment	15(c)	(289,726,899)	(110,917,367)
Interest received	12(a)	18,190,652	12,882,124
Purchase of intangible assets	17	(1,146,829)	(6,093,873)
Proceeds from disposal of property, plant and equipment	15(d)	4,093	-
Net cash flows used in investing activities		**(272,678,983)**	**(104,129,116)**

Statement of Cash Flows Cont'd.

₦'000	Notes	31 December 2024	31 December 2023
Financing activities			
Dividend paid to equity holders		(67,728,708)	(94,820,191)
Unclaimed dividends received	22	-	24,615
Interest payment on overdraft	12(b)	(3,864,841)	(2,318,651)
Principal and interest repayment on lease liability	16(b)	(72,512)	(116,688)
Proceeds from borrowings	24	22,844,569	325,322,449
Principal repayment of borrowings	24	(190,422,793)	(93,746,240)
Interest repayment on borrowings	24	(94,913,336)	(36,062,945)
Principal repayment of debt securities	25	(28,750,000)	-
Interest repayment on debt securities	25	(8,085,937)	(8,625,000)
Net cash flows (used in)/ generated from financing activities		**(370,993,558)**	**89,657,349**
Net (decrease)/ increase in cash and cash equivalents		(238,419,456)	133,140,537
Cash and cash equivalents at 1 January		225,077,529	48,046,647
Effects of exchange rate differences on cash and cash equivalents		98,091,177	43,890,346
Cash and cash equivalents at 31 December	19	**84,749,250**	**225,077,529**

The notes on pages 88 to 132 are an integral part of these financial statements.

Notes to the Financial Statements

1 General information

BUA Cement Plc (""the Company"") is a company domiciled in Nigeria. The Company was incorporated in Nigeria as a limited liability company on 30 May 2014 and commenced business in August 2015. The Company was converted from a private limited liability company to a public limited liability company on 16 May 2019, as a prelude to a scheme of merger. The Company later merged with the defunct Cement Company of Northern Nigeria Plc in a scheme of merger on 23 December 2019 and was listed on the Nigerian Stock Exchange (now Nigerian Exchange) on 9 January 2020. BUA Cement Plc is ultimately owned by Alhaji Abdulsamad Rabiu CON, CFR.

The address of its registered office is 32, Churchgate Street, Victoria Island, Lagos. The principal activities of the Company are manufacturing and sales of cement to the general public. These activities are conducted primarily in Nigeria.

The majority shareholder of the Company, Abdulsamad Rabiu CON, CFR is the Chairman of the Board of Directors and the ultimate owner of the Company.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board. The financial statements have also been prepared in compliance with the Companies and Allied Matters Act 2020 (CAMA) and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

The financial statements have been prepared under the historical cost convention, except for employee benefit obligation, decommissioning liabilities and government grants measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgment in applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements are presented in Nigerian Naira and all values are rounded to the nearest thousand (₦'000) except when otherwise indicated.

2.1.1 Going concern

The financial statements have been prepared in accordance with the going concern principle and the Directors have no doubt that the Company will remain in existence twelve (12) months after the statement of financial position date.

The Company reported a profit after tax of ₦73.91 billion for the year ended 31 December 2024 (2023: ₦69.45 billion). At the statement of financial position date, the Company had a net asset of approximately ₦388.54 billion (2023: ₦385.22 billion) .

The company has been consistently profitable over the years.

2.1.2 Changes in accounting policies and disclosures

2.1.2.1 New standards and interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time in the annual reporting period commencing 1 January 2024.

Notes to the Financial Statements Cont'd.

2.1.2 Changes in accounting policies and disclosures (continued)

2.1.2.1 New standards and interpretations adopted by the Company (continued)

(a) Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

(b) Lease Liability in Sale and Leaseback – Amendments to IFRS 16.

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

(c) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments add disclosure requirements and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1.2.2 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. These new standards and interpretations are set out below:

(a) Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(c) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

Notes to the Financial Statements Cont'd.

2.1.2 Changes in accounting policies and disclosures (continued)

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

a. Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

a. management-defined performance measures;

b. a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

c. for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Naira which is the Company's functional and presentation currency.

2.2 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss statement.

Foreign exchange gains and losses are presented on a net basis in the income statement.

Notes to the Financial Statements Cont'd.

2.3 Property, plant and equipment

All property, plant and equipment are initially measured at cost and subsequently recognised at historical cost less depreciation and any accumulated impairment losses, except for land which is carried at historical cost less any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Capital work in progress are not depreciated. Depreciation of assets commences when assets are available for use. Depreciation on other assets is calculated using the straight line method of calculation i.e. the cost of the assets less its residual value, if applicable, over the number of useful lives (in years), as follows:

An item of property, plant and equipment is derecognised upon disposal or when no economic benefit is expected from its use. Any gains or losses arising on derecognition is included in the statement of profit or loss when the asset is derecognised. The gain or loss is determined as proceeds from disposal less the net book value of the asset.

	Useful life (years)
Land	Not depreciable
Buildings	30 - 50
Plant and machinery	3 - 40
Furniture and fittings	5
Motor vehicles	4
Quarry equipment	6 - 25
Tools and laboratory equipment	5
Computers and office equipment	3 - 5
Trucks	4
Construction work-in-progress	Nil

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Quarry exploration and production assets

Accounting for quarry exploration and production assets

Quarry exploration expenditures are accounted for using the 'successful efforts' method of accounting. Costs are accumulated on a quarry-by-quarry basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with a quarry, and exploration costs, are capitalised until the determination of minable reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expenses.

Capitalisation is made within property, plant and equipment or intangible assets according to the nature of the expenditure.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets. No depreciation/amortisation is charged during the exploration phase.

Development tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities on commercially proven quarries and the drilling of commercially proven quarries, is capitalised within property, plant and equipment and intangible assets according to nature. When development is completed on a specific quarry, it is transferred to quarry equipment or intangible assets.

Depreciation/amortisation

Quarry tangible and intangible assets are depreciated or amortised using the straight line method.

Notes to the Financial Statements Cont'd.

2.4. Intangible assets

Costs associated with maintaining software programmes are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Licences

Licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Software

Costs associated with acquiring software programmes are capitalised at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Exploration assets

Exploration assets are carried at cost less accumulated amortisation and any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The Directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the Directors use information from several sources, depending on the level of exploration. Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

Amortisation methods and useful lives

The accumulated capitalised costs from exploration assets are amortised over their useful life using a straight-line method.

The Company also amortises other intangible assets with a limited useful life using the straight-line method over the asset's estimated useful lives.

	Useful life (years)
Licences	2-5
Exploration assets	7 - 40
Software	3

Derecognition

Intangible assets are derecognised when they are no longer in use or when the Company expects no future economic benefits from their disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in the profit or loss.

2.5. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements Cont'd.

2.6. Financial instruments

2.6.1 Classification and measurement

i. Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

Financial assets held by the Company are classified based on the following:

- **Hold to collect:** Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represent solely payments of principal and interest. Assets held under this business model are measured at amortised cost.
- **Hold to collect and sell:** Financial assets in this category are held to collect contractual cash flows and sell. The cash flows represent solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.
- **Hold to sell/residual:** This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The financial assets of the Company are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets).

The Company's financial assets includes trade receivables, due from related parties and cash and cash equivalents. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

ii. Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, payable to related parties, lease liabilities, debt securities and borrowings.

2.6.2 Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the Expected Credit Loss (ECL) model. The ECL model is applicable to financial assets measured at amortised cost or at fair value through other comprehensive income (FVOCI). The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied to trade receivables while the general approach is applied to cash and cash equivalents and amounts due from related parties.

The simplified approach requires lifetime expected credit losses to be recognised on initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage (general) approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political risk concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stages 2 or 3 have their ECL measured on a lifetime basis.

Notes to the Financial Statements Cont'd.

2.6. Financial instruments (continued)

2.6.2 Impairment of financial assets (continued)

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the cash recovery ratio of the counterparties. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) growth rate and inflation rate in Nigeria, to arrive at an ECL which is then discounted to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

2.6.3 Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of stage 2 financial assets where the three-stage approach is applied.

The criteria for determining whether credit risk has increased significantly depends on quantitative and qualitative factors. In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default.

2.6.4 Derecognition

i. Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised in profit or loss.

ii. Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

If the modification of the existing liability does not meet the requirements for derecognition of the existing liability, the difference in the carrying amount and the modified liability amount is recognised immediately as a modification gain or loss in profit or loss.

2.6.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the Financial Statements Cont'd.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Cost comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), incurred in bringing inventory to its present location and condition but excludes borrowing costs.

The cost of engineering spares and fuel is determined using the weighted average method. Work-in-progress are valued at purchase costs incurred to date.

The cost of all inventory is determined using the weighted average method and comprises purchase cost and other direct costs, incurred in bringing the inventories to their present location and condition but excludes borrowing costs.

Allowance is made for excessive, obsolete and slow-moving items. Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.8 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. They are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components and measured at fair value. They are subsequently measured at amortised cost using the EIR method, less loss allowance.

2.9 Prepayments and other advance payments

Prepayments are amounts paid for goods or services which are yet to be received/enjoyed. Other receivables are unsecured and non-interest bearing.

2.10 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Profit before tax is therefore adjusted by non-cash items. All income and expenses from non-cash transactions that are attributable to investing or financing activities are eliminated. Interest repayments on external borrowings are presented in financing activities.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts, if any, are shown within borrowings in current liabilities.

The Company has chosen to present interest paid on borrowings, leases and debt securities as financing cash flows. Interest received on financial assets held for cash management purposes has been presented as investing cash flows.

The Company has presented cash flow from the purchase of property, plant and equipment and intangible assets as cash flow from investing activites.

The cash flows from investing and financing activities are determined by using the direct method.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at hand and deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash.

2.12 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements Cont'd.

2.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Capitalisation is suspended during periods which involve interruption in active development. Also, capitalisation stops when all the substantial activities, essential for preparing the asset for its intended use or sale, have been accomplished.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs included in finance cost in profit and loss include;

(i) interest expense on borrowings
(ii) interest in respect of lease liabilities
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

2.14 Borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Amortised cost is calculated by taking into account any fees or costs that are integral parts of the effective interest rate (EIR). EIR 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 instrument. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate (EIR), but not future credit losses.

The EIR amortisation is included in interest expense in the statement of profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Bank borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

2.15 Provision for decommissioning liabilities

Provision for decommissioning liabilities associated with the Company's mining operations are based on land restoration processes and analysis of site conditions such as projected pit area, borrow material area, waste dump area and top soil dump area.

Under the Nigerian Minerals and Mining Act 2007 and the Health, Safety, and Reclamation Code, the primary objective of the reclamation plan will be to return, where practical, all areas disturbed by mining operations to an acceptable land use and capability. The reclamation method is a forestry reclamation approach after mining activities. The disturbed mining areas are to be backfilled, compacted, re-graded and re-vegetated to support forest land uses.

Notes to the Financial Statements Cont'd.

2.15 Provision for decommissioning liabilities (continued)

Decommissioning provisions are measured at the present value of the expected future cash flows that will be required to perform the site reclamation. The effect of the time to expected closure will be reflected in the discounting of the provision. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

Decommissioning provisions are updated at each statement of financial position date for changes in the estimates of the amount or timing of future cash flows and changes in the discount rate. Changes to provisions that relate to site reclamation cost are added to or deducted from the carrying amount of the related asset in the current period. When a decrease in decommissioning liability exceeds the carrying amount of a decommissioning asset, the excess is recognised in profit or loss.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of Value Added Tax, excise duties, returns, customer discounts and other sales-related discounts. Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Collectability of customer's payments is ascertained based on the customer's historical records, guarantees provided, the customer's industry and advance payments made if any.

The five step recognition process for revenue is listed below:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the prices to the performance obligations.
- Recognise revenue.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer at the inception of the contract. The Company is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods

Revenue is recognised when the control of the goods is transferred to the customer. This occurs when the goods are delivered to the customer or when goods are picked up by the customers. This represents the single performance obligation in all revenue contracts with customers.

Revenue from sale of cement is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within the same month. Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

Advance payments made by customers for goods are deferred and recognised as contract liabilities in the statement of financial position.

The delivery service provided by the Company is a sales fulfilment activity and the income earned is recognised at the point in time when the goods are delivered to the customer.

Delivery of cement is done by the Company at the Sokoto Plant and by a related party haulage company, acting as the Company's agent, at the Okpella Plant.

Under both delivery arrangements, the Company quotes the price that reflects the amount of consideration to which it expects to be entitled in exchange for the transfer of the cement to a customer. Based on the Company's agreement with the haulage company, the haulage company will be reimbursed at a flat rate to depict the services rendered to the Company.

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Notes to the Financial Statements Cont'd.

2.16 Revenue recognition (continued)

Disaggregation of revenue from contracts with customers

The Company recognises revenue from the transfer of goods at a point in time from the sale of bagged cement and bulk cement. The Company has determined that the disaggregation of revenue based on the criteria of stream of revenue meets the disaggregation of revenue disclosure requirement of IFRS 15. It depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details in Note 5.

2.17 Other income

This comprises profit from sale of property, plant and equipment, profit from sale of scraps and insurance claims etc. Income arising from disposal of items of property, plant and equipment and scraps is recognised at the time when transactions are finalised and ownership transferred by the Company. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets.

2.18 Expenses

Expenses are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of profit or loss is presented in classification based on the function of the expenses.

The Company classifies its expenses as follows:

- Cost of sales.
- Selling and Distribution expenses.
- Administrative expenses.

a) Cost of goods sold

These are the direct costs attributable to the production of the cement sold by the Company. These costs include directly attributable costs such as the cost of direct materials, direct labour, energy costs, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes write-downs of inventories where necessary.

b) Distribution and selling expenses

These comprise of the cost of marketing, the sales organisation, and distribution logistics.

c) Administrative expenses

These comprise of the cost of running the administrative function of the Company.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the BUA Cement Leadership Team which comprises of the members of the Board of Directors and other executive officers.

Segment information is required to be presented in respect of the Company's business and geographical segment, where applicable. The Company's primary format for segment reporting is based on operating segments. The operating segments are determined by management based on the Company's internal reporting structure. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Management assessed that the Company has only one operating segment arising from the sale of cement. The Company's internal reporting structure is based on this operating segment.

Notes to the Financial Statements Cont'd.

2.20 Current and deferred income tax

The tax for the period comprises current, education and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax liabilities on a net basis. Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.21 Employee benefits

Pension scheme - Defined contribution scheme

In line with the Pension Reform Act 2014, the Company operates a defined contribution scheme; employees are entitled to join the scheme immediately after they are employed. Contributions are made on a percentage of the employee's basic, transport and rent allowances by the employee and the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Pension scheme - Defined benefit scheme

The estimates of the terminal benefit obligations are calculated periodically, with the assistance of independent actuaries, using the projected unit credit method. This method considers best estimate actuarial assumptions including the probable future length of the employees' service, the employees' final pay, the expected average life expectancy and probable turnover of beneficiaries. The obligations are discounted based upon appropriate discount rates.

The current period expense comprises the increase in the obligation, which results from the additional benefits earned by the employees in the period, and the interest expense, which results from the outstanding pension obligation. The current period expenses related to the defined benefit plan are recorded in cost of sales, selling and distribution and administrative expenses based on the beneficiaries and the plan. Actuarial gains or losses are charged or credited to other comprehensive income in the period which they arise and it is accumulated in a separate reserve in equity.

Short-term benefits

Short-term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed in the Company's statement of profit or loss as the employees render such services.

A liability is recognised for the amount expected to be paid under short-term benefits if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.21 Employee benefits

Share based payments arrangements

The grant-date fair value of equity-settled share based payment arrangements granted to employees is recognised as staff costs, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant-date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes to the Financial Statements Cont'd.

2.22 Finance income

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.23 Finance cost

Finance cost comprises interest expenses on borrowings, debt security issued, lease liability, defined benefit obligation, overdraft, unwinding of discount of decommissioning liability, dividends on preference shares that are classified as debt, the amortisation of discounts and premiums on debt instruments that are liabilities, interest on tax payable where the interest element can be identified separately, interest expense calculated using the EIR method, and the increase in the present value of the costs to sell in relation to assets that are held for sale, where the sale is expected to occur beyond one year. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.25 Share capital, reserves and dividends

i. Share capital

The Company has only one class of shares i.e., ordinary shares. Ordinary shares are classified as equity.

ii. Reserves

Reserves include all current and prior period retained earnings, reorganisation reserves and reserve on actuarial valuation of defined benefit plan.

Reorganisation reserve consists of the Company's merger transactions with entities under common control.

iii. Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position.

2.26 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Financial Statements Cont'd.

2.27 Leases

At the inception of a contract, the Company assesses 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 assesses whether:

- the contract involves the use of an identified asset; This may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company primarily leases buildings (used as office space and warehouse). The lease terms are typically for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants. However, leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability on the date at which the leased asset is available for use by the Company. The right-of-use asset is depreciated using the straight line method over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use asset is carried at historical cost less accumulated depreciation and impairment losses.

i. Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

ii. Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use asset and lease liability are presented separately from other non-lease assets and liabilities in the statement of financial position.

Notes to the Financial Statements Cont'd.

2.27 Leases (continued)

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low-value (i.e. low-value assets). Low-value assets are assets with lease amounts of less than $5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

2.28 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate.

2.29 Business combination under common control

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory), are referred to as common control transactions. The accounting policy for the acquiring entity is to account for the transaction at book values in its financial statements, as a result, no goodwill is recognised. Any difference between the acquirer's cost of investment and the acquiree's equity is presented separately in the re-organisation reserve in equity.

The Company has adopted the predecessor method of accounting for entities under common control. The book values of the acquired entity are the book values as reflected in the annual financial statements of the selling entity. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities. Any expenses of the combination are written off immediately in the profit or loss.

Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented and adjustments are made to achieve uniform accounting policies - adopting the surviving/acquiring entity.

3. Financial risk management

3.1 Financial risk factors

The Company's business activities expose it to a variety of financial risks: market risk (including foreign exchange, interest rate, and price), credit risk and liquidity risk. The objective of the Company's risk management programme is to minimise potential adverse impacts on the Company's financial performance.

Risk management is carried out in line with policies approved by the Board of Directors. The Board of Directors ("the Board"), provides principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Company's overall risk management program seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Treasury Manager, who aims to effectively manage the financial risk of the Company according to the policies approved by the Board of Directors. The Treasury Manager identifies and monitors financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange, interest rates and credit risks, use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables (excluding prepayments), trade and other payables (excluding government grants), due from/to related parties, borrowings and debt securities issued.

Notes to the Financial Statements Cont'd.

3.1.1 Market risk

i. Foreign exchange risk

The Company is exposed to foreign exchange risk arising from future commercial transactions and some recognised assets and liabilities to the US Dollar and Euro. Management minimises the effect of the currency exposure by buying foreign currencies when rates are relatively low and using them to settle bills when due. The company is primarily exposed to the US Dollar and Euro.

The Central Bank of Nigeria announced operational changes to the foreign exchange market with the re-introduction of the "Willing Buyer, Willing Seller" model at the importers and exporters foreign exchange window in June 2023. This has led to significant fluctuations in the foreign exchange rates.

The table below shows the closing balance of US Dollar and Euro denominated financial instruments and the impact on the Company's profit or loss and equity if the exchange rate between the US Dollar, Euro and the Nigerian Naira had increased or decreased by 15-50% (2023: 15-50%) with all other variables held constant.

₦'000	31 December 2024 (USD)	31 December 2024 (EUR)	31 December 2023 (USD)	31 December 2023 (EUR)
Foreign currency denominated balances				
Trade payables	211,376,608	-	(56,175,442)	(804,903)
Cash and cash equivalents	39,300,402	646,271	151,589,634	104,117
Borrowings	461,102,333	-	(264,097,120)	-
	711,779,343	**646,271**	**(168,682,928)**	**(700,786)**
Effect of:				
15% increase in exchange rate (2023: 15%)	106,766,901	96,941	(25,302,439)	(105,118)
15% decrease in exchange rate (2023: 15%)	(106,766,901)	(96,941)	25,302,439	105,118
Effect of:				
50% increase in exchange rate (2023: 20%)	355,889,672	323,136	(84,341,464)	(350,393)
50% decrease in exchange rate (2023: 20%)	(355,889,672)	(323,136)	84,341,464	350,393

The aggregate net foreign exchange losses recognised in profit or loss was ₦93.9 billion (2023: ₦69.96 billion).

ii. Price risk

The Company is not exposed to price risk.

iii. Interest rate risk

The Company's interest rate risk arises from long term borrowings from the banks which exposes the Company to cash flow interest rate risk. Other borrowings are fixed rate short term facilities with minimal exposure to fair value interest rate risk.

The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for borrowings obtained and for deposits held with the banks.

The tables below shows the details of the borrowing exposed to floating interest rates

₦'000	Average intrest rate	31 December 2024	31 December 2023
Due to IFC	SOFR + 5.5%	449,973,157	264,097,120
Due to First bank of Nigeria Plc	SOFR + 10%	8,022,054	86,807,608
Due to Union Bank of Nigeria	SOFR + 10%	3,752,868	4,543,453
Due to Coronation Merchant Bank	SOFR + 15%	-	2,508,367
Due to Sterling Bank	SOFR + 9.5%	-	4,535,550
Due to FBNQuest Merchant Bank	SOFR + 8%	-	945,662
		461,748,079	**363,437,760**

Notes to the Financial Statements Cont'd.

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

The impact on the Company's profit or loss if interest rates on variable interest rate borrowings increased or decreased by 5%, with all other variables held constant is shown below;

	31 December 2024	31 December 2023
Effect of 5% increase in interest rates (2024: 5%)	(23,087,404)	(18,171,888)
Effect of 5% decrease in interest rates (2024: 5%)	23,087,404	18,171,888

3.1.2 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables from related parties.

The Company uses policies to ensure that sales of products are to customers with appropriate credit histories. The granting of credit is controlled by credit limits and the application of certain terms of sale. The Company carries out its business mostly on a cash and carry basis. Individual customers make cash deposits before delivery of goods and corporate customers make payment within 3 months after goods are delivered.

No credit limits were exceeded during the reporting period and none of the counterparties renegotiated their terms in the reporting year. Management's expected credit loss as a result of non-performance by these counterparties is disclosed in the 'impairment of financial assets' section below.

The maximum exposure to credit risk for cash and cash equivalents, trade receivables and due from related parties approximates the amount recognised on the statement of financial position. The Company does not hold any collateral as security.

To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss model are as follows:

- Trade receivables and;
- Cash and cash equivalents.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

i. Trade receivables

The Company applies the simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from customers for the sale of goods in the ordinary course of business. The expected credit loss for trade receivables is determined using a provision matrix approach. The macroeconomic variables considered were inflation and brent oil prices.

The expected loss rates as at 31 December 2024 are as follows:

₦'000 Age of trade receivables	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 365 days	Total
Gross carrying amount*	75,545	153,380	-	-	-	228,925
Default rate	0.09%	0.20%	0.30%	0.39%	1%	
Lifetime ECL	68	313	-	-	-	381
Net trade receivables	**75,477**	**153,067**	**-**	**-**	**-**	**228,544**

Notes to the Financial Statements Cont'd.

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

The expected loss rates as at 31 December 2023 are as follows:

₦'000 Age of trade receivables	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 365 days	Total
Gross carrying amount*	63,685	-	-	-	-	63,685
Default rate	0.11%	0.32%	0.61%	0.98%	100%	-
Lifetime ECL	70	-	-	-	-	70
Net trade receivables	**63,615**	**-**	**-**	**-**	**-**	**63,615**

*The reconciliation of the gross carrying amount for trade receivables is as follows:

₦'000	2024	2023
Gross carrying amount as at 1 January	**63,685**	**20,833**
Additions during the year	6,921,720	4,026,935
Receivables written off in the year	-	(3,238)
Receipts for the year	(6,756,480)	(3,980,845)
Gross carrying amount as at 31 December	**228,925**	**63,685**

3.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves at all times so that the Company is able to meet its obligations as they fall due. The Company manages liquidity risk by effective working capital and cash flow management.

The Company invests its surplus cash in fixed deposit. At the reporting date the Company had ₦39.1 billion (2023: ₦152.7 billion) in fixed deposit.

Maturity analysis

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₦'000	Less than 6 months	6 - 12 months	Over 12 months	Total
At 31 December 2024				
Financial liabilities:				
Trade and other payables (Note 22)	116,187,284	188,602,921	30,601,064	335,391,269
Due to related parties (Notes 30b)	-	-	-	-
Bank borrowings (Note 24)	20,300,084	28,014,500	444,824,129	493,138,713
Debt security issued (Note 25)	-	-	85,741,880	85,741,880
Lease liabilities (Note 16)	32,088	34,176	21,907	88,171
	136,519,456	**216,651,597**	**561,188,980**	**914,360,033**

Notes to the Financial Statements Cont'd.

3.1.3 Liquidity risk (continued)

₦'000	Less than 6 months	6 - 12 months	Over 12 months	Total
At 31 December 2023				
Financial liabilities:				
Trade and other payables (Note 22)	47,022,284	7,397,178	4,706,085	59,125,547
Due to related parties (Notes 30b)	51,118,269	-	-	51,118,269
Bank borrowings (Note 24)	114,612,798	4,761,615	298,782,496	418,156,909
Debt security issued (Note 25)	-	-	114,124,633	114,124,633
Lease liabilities (Note 16)	51,445	12,577	9,845	73,867
	212,804,796	**12,171,370**	**417,623,059**	**642,599,225**

Value added tax, withholding tax and other statutory related items are excluded as they are non-financial instruments.

3.2 Fair value estimation

The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables, amounts due to/ from related parties and short-term bank borrowings approximate their fair value.

₦'000	At 31 December 2024		At 31 December 2023	
	Amortised cost	Fair value	Amortised cost	Fair value
Financial assets				
Trade receivables	228,544	228,544	63,615	63,615
Cash and cash equivalents	84,749,250	84,749,250	225,077,529	225,077,529
Financial liabilities				
Trade and other payables	(339,783,651)	(339,783,651)	(59,125,547)	(59,125,547)
Due to related parties	-	-	(51,118,269)	(51,118,269)
Short-term bank borrowings	(48,314,584)	(48,314,584)	(122,689,462)	(122,689,462)
Long-term bank borrowings	(444,824,129)	(453,883,702)	(295,467,446)	(298,704,161)
Current lease liabilities	(88,171)	(88,171)	(73,867)	(73,867)
Debt security issued	85,741,880	85,741,880	(130,940,135)	(130,940,135)
	(662,290,861)	**(671,350,434)**	**(434,273,582)**	**(437,510,297)**

Value added tax, withholding tax and other statutory related items are excluded as they are non-financial instruments.

3.3 Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

The Company monitors capital using the gearing ratio. This is determined as the proportion of net debt to equity. No formal debt/equity target has been established.

Notes to the Financial Statements Cont'd.

3.3 Capital risk management (continued)

The gearing ratios at year end are as follows:

₦'000	Notes	31 December 2024	31 December 2023
Debt	i	578,880,593	532,281,541
Cash and cash equivalents		(84,749,250)	(225,077,529)
Net debt		**494,131,343**	**307,204,012**
Equity	ii	388,548,235	385,224,150
Gearing ratio		**127%**	**80%**

Note i: Debt is defined as long and short-term borrowings and debt securities issued.

Note ii: Equity includes all capital and reserves of the Company.

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- The Company shall not cause a change to its ownership structure which will result in a change of control without the prior written consent of the bank. ;
- The Company shall provide the bank with a copy of its audited statement of financial position and profit or loss accounts within 120 days of the end of the financial year.

The Company complied with these covenants and has thus classified all outstanding borrowings as current and non-current liabilities in the statement of financial position as at 31 December 2024.

4. Critical accounting estimates and judgments

The preparation of financial statements requires Directors to use judgment in applying it's accounting policies, estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on Directors' experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Significant accounting judgment and estimate made in the preparation of the financial statements is shown below.

4.1 Estimation of the useful life and depreciation method of property, plant and equipment

Property, plant and equipment and intangible assets with definite life are depreciated over their useful life. The Company estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The Company estimates the useful life of quarries based on the amount of limestone reserve in the quarries. The estimates change based on the budgeted amount of limestones to be mined and the actual limestone mined during the reporting period.

It is possible however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A change in the estimated useful lives of the quarries would either increase or decrease the carrying value of quarry assets. The effect of the change in useful life of the quarry assets is also evident in the amount of depreciation charged. The effect of the change in useful life of the quarry assets is also evident in the amount of depreciation charged.

4.2 Provision for decommissioning liabilities

The Board of Directors exercises significant judgement in estimating provision for restoration/decommissioning costs. Should these estimates vary, profit or loss and statement of financial position in the following years would be impacted. The estimation of the decommissioning costs is based on technical evaluations carried out by staff and experts with knowledge of the site and experience with similar assets. Estimated costs of restoring, where practical, all areas disturbed by mining operations to an acceptable land use and capability are based on expected future value of current market prices based on inflation rates. This is discounted to a present value using the yield on long-term risk free bonds over the expected useful life of the sites.

Notes to the Financial Statements Cont'd.

4.2 Provision for decommissioning liabilities (continued)

Estimates could change due to changes in inflation rate, expected useful life of assets, yield on risk free bonds and market prices. The amount and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated costs could reduce the cost of the mines and reduce interest expense.

The table below shows the balance of decommissioning liability and the impact on the Company's profit and equity if the inflation rate had increased or decreased by 5-10% with all other variables held constant.

₦'000	At 31 December 2024	At 31 December 2023
Present value of decommissioning liability	52,142,514	25,129,801
Effect of 5% increase in inflation rate	2,607,126	1,256,490
Effect of 5% decrease in inflation rate	(2,607,126)	(1,256,490)
Effect of 10% increase in inflation rate	5,214,251	2,512,980
Effect of 10% decrease in inflation rate	(5,214,251)	(2,512,980)

4.3 Estimation of defined benefit obligation

The present value of the Company's defined benefit plan and the related current service cost and past service cost, are measured using the Projected Unit Credit (PUC) Method. This method considers best estimate actuarial assumptions including the probable future length of the employees' service, the employees' final pay, the expected average life expectancy and probable turnover of beneficiaries. Details of assumptions made in arriving at the defined benefit obligation are disclosed in Note 14b.

5. Revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major product categories:

₦'000	31 December 2024	31 December 2023
Sale of bagged cement	874,504,554	458,047,888
Sale of bulk cement	1,965,295	1,951,111
	876,469,849	**459,998,999**

There is no single customer that contributed more than 10% of the total revenue from the sale of cement in 2024 (2023: (I.C.O. Odigwe & Sons Nigeria Limited):₦55.4 billion) The revenue from customers are recognised at a point in time when control is transferred to the customer.

(a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market.

i) Primary geographical markets

₦'000	31 December 2024	31 December 2023
Nigeria	875,838,208	456,075,597
Outside Nigeria	631,641	3,923,402
	876,469,849	**459,998,999**

Notes to the Financial Statements Cont'd.

5. Revenue from contracts with customers (continued).

(b) Liabilities relating to contracts with customers

The Company has recognised the following liabilities relating to contracts with customers:

₦'000	31 December 2024	31 December 2023
Contract liabilities	113,936,226	105,115,874

The following shows the movement in contract liabilities during the year:

₦'000	31 December 2024	31 December 2023
Balance as at 1 January	**105,115,874**	**92,166,502**
Payments received in advance of satisfaction of performance obligation	962,077,492	516,046,601
Revenue recognised (net of rebates and discounts)	(876,469,849)	(459,998,999)
Refund, taxes and other transfers	(76,787,291)	(43,098,230)
	113,936,226	**105,115,874**

6. Cost of sales

₦'000	31 December 2024	31 December 2023
Raw materials	12,227,576	19,588,675
Energy consumption	282,483,504	123,269,164
Lubricants	2,542,259	1,248,384
Quarry fees and royalties	2,290,595	864,109
Staff cost (Note 9)	12,217,533	6,413,796
Amortisation of intangible assets (Note 17)	604,277	377,585
Depreciation of property, plant and equipment (Note 15)	24,437,244	18,920,415
Depreciation of right of use asset (Note 16c)	21,395	19,466
Other repairs and maintenance expenses	19,314,052	12,732,150
Operation and maintenance service charges	215,284,121	87,415,117
Water supply	85,643	234,132
Explosives	651,877	582,465
Communication expenses	708,061	212,356
Printing and stationery	5,826	4,382
Subscription dues	2,000	5,619
Transportation and travelling expenses	620,160	291,992
Refractories cost	1,665,926	1,632,614
Insurance	1,626,883	1,039,212
**Other expenses	1,972,593	1,191,853
Subtotal (before decommissioning adjustment)	**578,761,525**	**276,043,486**
*Decommissioning liability adjustment	(2,548,608)	-
Total (after decommissioning adjustment)	**576,212,917**	**276,043,486**

*Decommissioning liability adjustment relates to a decrease in decommissioning liability of one quarry, Ikpobia that exceeds the carrying amount of the decommissioning asset in line with IFRIC 1.

**Other expenses mainly include protective clothings, uniforms and laboratory expenses.

Notes to the Financial Statements Cont'd.

7. Administrative expenses

(a)

₦'000	31 December 2024	31 December 2023
Energy consumption	574,445	385,867
Staff cost (Note 9)	6,477,294	2,684,310
Amortisation of intangible assets (Note 17)	9,173	33,527
Depreciation of property, plant and equipment (Note 15b)	851,325	577,640
Depreciation of right of use assets (Note 16)	89,039	77,229
Audit fee	200,000	192,000
*Consultancy fees	1,075,609	706,712
Other repairs and maintenance expenses	906,558	350,779
Office running expenses	42,835	42,650
Communication expenses	168,334	109,361
Printing and stationery	173,537	121,393
Security expenses	2,003,495	1,202,104
Subscription dues	284,372	480,738
Transportation and travelling expenses	574,019	593,185
Bank charges	868,711	416,342
Insurance	446,389	466,206
**Other expenses	3,438,825	1,159,197
Listing fees	401,802	344,832
Donation	1,728,419	1,055,523
Public relations	754,134	607,055
Directors' expenses	348,820	253,378
Directors' emoluments (Note 29(c))	644,760	435,979
	22,061,895	**12,296,007**

*Consultancy fee includes tax, legal and administrative fees.

**Other expenses relate mainly to ground rent, commissioning expenses for Line 3 (Okpella) and Line 5 (Sokoto) and Annual General Meeting expenses.

No non-audit services were provided by the Company's auditor (2023: Nil). Non-audit services provided by other professionals in respect of the financial statements are as follows:

Name of professional	FRC number of the professional	Name of firm	FRC number of firm	Nature of service
Miller Kingsley (FNAS,FSA)	FRC/2012/NAS/00000002392	Ernst & Young	FRC/2023/COY/209403	Actuarial
Oguntayo Isaac Ogungbenro	FRC/2014/ICAN/00000004961	KPMG	FRC/2023/COY/267452	Tax

(b) **Foreign exchange loss - net**

₦'000	31 December 2024	31 December 2023
Net foreign exchange loss on borrowings	237,661,060	60,666,129
Foreign exchange loss capitalised	(52,493,150)	(8,185,687)
Net (gain)/loss on other foreign exchange transactions	(93,062,591)	17,475,605
	92,105,319	**69,956,047**

The foreign exchange loss capitalised relates to the portion of the exchange losses arising from foreign currency borrowings eligible to be capitalised as part of the borrowing costs for capital projects under construction.

Notes to the Financial Statements Cont'd.

8. Distribution and selling expenses

₦'000	31 December 2024	31 December 2023
Staff cost (Note 9)	1,279,860	1,664,316
Energy consumption	288	333
Distribution cost	30,580,345	20,720,278
Depreciation of property, plant and equipment (Note 15)	9,502,046	5,488,146
Cement haulage charges	971,784	819,616
Office running expenses	342	388
Advertising and sales promotion cost	62,284	129,692
Communication expenses	30,325	18,293
Printing and stationery	55,595	25,746
Subscription dues	165	-
Transportation and travelling expenses	189,600	113,375
Other repairs and maintenance expenses	2,197	541
Other expenses	183,809	87,580
	42,858,640	**29,068,304**

9. Staff cost

₦'000	31 December 2024	31 December 2023
Staff salaries and allowances	17,278,304	9,127,970
Staff welfare and training	1,073,479	451,159
Medical expenses	334,569	205,221
Pension (employer contribution)	782,438	639,433
Defined benefit plan (Note 14(b)):		
- Current service cost	505,897	338,639
	19,974,687	**10,762,422**

Details of staff cost is as follows:

₦'000	31 December 2024	31 December 2023
Cost of sales (Note 6)	12,217,533	6,413,796
Administrative expenses (Note 7)	6,477,294	2,684,310
Distribution and selling expenses (Note 8)	1,279,860	1,664,316
	19,974,687	**10,762,422**

10. Impairment (loss) on financial assets

₦'000	31 December 2024	31 December 2023
Impairment (loss) on trade receivables (Note 20ii)	(311)	(45)
	(311)	**(45)**

Notes to the Financial Statements Cont'd.

11. Other income

₦'000	31 December 2024	31 December 2023
Sundry income	294,484	336,621
Insurance claims	14,405	863,014
Amortisation of government grant (Note 26)	753,967	862,495
Profit on disposal of property, plant and equipment (Note 15(d))	900	-
	1,063,756	**2,062,130**

Insurance claims relate to payments received from insurance company for compensation on accidented vehicles and trucks.

Sundry income relates to the sale of iron or metal scraps, grinding aid tanks and scrapped pipes.

12. Finance income and costs

(a) Finance income

₦'000	31 December 2024	31 December 2023
Interest income	18,190,652	12,882,124
	18,190,652	**12,882,124**

(b) Finance cost

₦'000	31 December 2024	31 December 2023
Interest expense on lease liability (Note 16)	8,259	11,588
Interest expense on debt security issued (Note 25)	8,453,184	8,816,694
Interest expense on defined benefit obligation (Note14(b))	384,343	199,344
Interest expense on borrowings (Note 24(a))	99,812,305	36,542,044
Interest expense on overdraft	3,864,841	2,318,651
Other finance costs :		
Unwinding of provision for decommissioning liabilities (Note 23)*	3,542,402	1,649,072
	116,065,334	**49,537,393**
Interest capitalised***	(56,023,351)	(29,600,504)
Finance costs expensed	**60,041,983**	**19,936,889**
Net finance cost	**41,851,331**	**7,054,765**

*The unwinding of provision for liabilities is due to passage of time in recognition of the present value of the future obligation relating to restoration of quarries being mined by the Company as at year end. Amount is non-cash and has been adjusted for in cash generated from operating activities in the statement of cash flows.

**This relates to interest capitalised on borrowings.

Interest income relates to interest received on fixed deposits.

All interest expense has been calculated using the effective interest rate except interest expense on defined benefit obligations.

The capitalisation rate used to determine the amount of general borrowing costs to be capitalised is the weighted average rate applicable to the Company's general borrowings. The determined effective interest rate of the general borrowing cost is 15.33% (2023: First Bank LC (15.36%) , Fidelity Bank -12% , Union Bank RSSF loan - 12.29%).

The specific borrowing costs were capitalised using the actual cost that are directly attributable to the acquisition, construction or production of the qualifying assets. The determined effective interest rate of the specific borrowing cost is: IFC Loan - 10.9%.

Notes to the Financial Statements Cont'd.

13. Taxation

(a) Income tax charge

₦'000	31 December 2024	31 December 2023
Tertiary education tax (3% of assessable profit)	2,363,456	2,471,663
Current income tax charge	-	10,987,765
Police trust fund levy (0.005% of net profit)	5,118	3,382
Income tax overprovision in prior year	(10,985,063)	-
Total current income tax (credit) /charge	**(8,616,489)**	**13,462,810**
Deferred tax charge/(credit)	34,337,438	(15,689,384)
Income tax charge/(credit)	**25,720,949**	**(2,226,574)**
Minimum tax charge (0.05% of gross turnover less franked investment income)	2,057,862	414,299
Minimum tax underprovision in prior year	755,146	-
Total minimum tax charged	**2,813,008**	**414,299**

In line with IFRIC 21, ₦2.06 billion (2023: ₦414.3 million) arising from minimum tax computations is presented above the line in the statement of profit or loss and other comprehensive income for the year. The balance of the minimum tax liability is presented under other liabilites.

Profit is apportioned between the plants on the basis of cement dispatched from the plants.

(b) Current income tax liabilities

₦'000	31 December 2024	31 December 2023
The movement in current income tax liabilities is as follows:		
Opening balance	**13,564,271**	**2,170,341**
Provision for the year	(8,616,489)	13,462,810
Payment during the year	(2,477,726)	(2,068,880)
Closing balance	**2,470,056**	**13,564,271**

A reconciliation of the Company's tax expense and the product of accounting profit multiplied by domestic tax rate for the year ended 31 December 2024 is as follows:

₦'000	31 December 2024	31 December 2023
Profit before tax	**99,630,184**	**67,228,176**
Tax at 30% statutory tax rate	29,889,055	20,168,453
Adjustments:		
Tertiary education tax (3% of assessable profit)	2,363,456	2,471,663
Police trust fund levy (0.005% of net profit)	5,118	3,382
Pioneer status adjustment	(6,536,680)	(24,870,072)
Income tax charge	**25,720,949**	**(2,226,574)**

Notes to the Financial Statements Cont'd.

(c) Deferred tax assets

₦'000	31 December 2024	31 December 2023
Opening balance	**13,783,316**	**29,696,822**
Deferred tax charge/(credit) for the year - profit or loss	34,337,438	(15,689,384)
Deferred tax credit for the year - OCI	(146,980)	(224,122)
Closing balance	**47,973,774**	**13,783,316**

Deferred tax liabilities relates to unutilised capital allowances, employee defined benefit, unrealised exchange loss and provisions on the Company's Sokoto Production Line 5 and Okpella Production Line 3 which are expected to unwind with passage of time.

₦'000	Property, plant and equipment	Unrealised exchange difference	Provisions and others*	Total
At 1 January 2024	**(39,657,196)**	**22,851,574**	**3,022,306**	**(13,783,316)**
Credit to other comprehensive income	-	-	146,980	146,980
(Charged)/credited to profit or loss	(64,156,592)	35,029,506	(5,210,352)	(34,337,438)
At 31 December 2024	**(103,813,788)**	**57,881,080**	**(2,041,066)**	**(47,973,774)**
At 1 January 2023	**(32,969,538)**	**661,079**	**2,611,637**	**(29,696,821)**
Credit to other comprehensive income	-	-	224,122	224,122
(Charged)/credited to profit or loss	(6,687,659)	22,190,495	186,547	15,689,383
At 31 December 2023	**(39,657,196)**	**22,851,574**	**3,022,306**	**(13,783,316)**

*Others relate to deferred tax liabilities arising from the Company's defined benefits plan to employees.

14 Employee benefit obligations

(a) Defined contribution plan

The Company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act, 2014, with contributions based on the employees' emoluments in the ratio of 8% by the employee and 10% by the employer.

The Company's contributions to this scheme are charged to the profit or loss account in the period to which they relate. Contributions to the scheme are managed by the various pension managers on behalf of the beneficiary staff, in line with the provisions of the Pension Reform Act.

Consequently, the Company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

As at 31 December 2024, the Company had no unpaid contribution (2023: Nil).

(b) Defined benefit plan

The Company has a retirement benefits policy (unfunded) for all of its full-time employees who have served the Company for a minimum of 5 years and above. The Company has a post-retirement programme for any employee who has attained the terminal age limit of 60 years (2023: 60 years).

The valuations of the present value of the defined benefit plan were carried out at 31 December 2024 by Ernst & Young. The present value of the plan and the related current service cost and past service cost, were measured using the Projected Unit Credit (PUC) Method.

In calculating the liabilities, the method:

i. Recognises the service rendered to the Company by each member of staff at the reporting date;
ii. Anticipates that salaries will increase between the review date and the eventual exit date of the employee via withdrawal, death or retirement and then;
iii. Discounts the expected benefit payment to the reporting date.

Notes to the Financial Statements Cont'd.

14. Employee benefit obligation (continued)

i. Valuation assumptions

The valuation assumptions fall under two broad categories:

- Financial assumptions
- Demographic assumptions

Risk exposure

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in Bond Yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risks	The Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

The principal financial assumptions used for the purposes of the actuarial valuations were as follows:

%	31 December 2024	31 December 2023
Long-term average discount rate per annum	20	17
Average rate(s) of salary increase per annum	16.5	15
Average inflation rate per annum	16.0	14.5

Discount rate

In order to measure the liability, the projected benefit must be discounted to a net present value as at the current statement of financial position date, using an interest assumption (called the discount rate).

The discount rate has been determined on the Company's statement of financial position date by reference to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate is based on market yields on Government bonds).

The discount rate should reflect the duration of the liabilities of the benefit programme.

The weighted average liability duration for the plan is 12.09 years. The average weighted duration of the closest Nigerian government bond as at 29 November 2024 was 6.22 years with a gross redemption yield of 16.99%.

The Company has adopted 20% (2023: 17.7%) per annum as the discount rate for the current year valuation.

ii. Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

	Number of deaths in year of age out of 10,000 lives	
Sample Age	2024	2023
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Notes to the Financial Statements Cont'd.

14.Employee benefit obligation (continued)

ii. Demographic assumptions (continued)

Withdrawal from service

Age band	2024 rate	2023 rate
Less than or equal to 30	3%	3%
31 – 35	3%	3%
36 – 40	3%	3%
41 – 45	2%	2%
46 – 55	5%	5%

ii. The amount included in the statement of financial position as a result of the entity's obligation in respect of its defined benefit plans is as follows:

₦'000	31 December 2024	31 December 2023
Present value of unfunded obligations	**7,134,372**	**4,572,204**

Reconciliation of change in the present value of the defined benefit plan are as follows:

₦'000	31 December 2024	31 December 2023
Balance at beginning of the year	**4,572,204**	**3,954,979**
Current service cost	505,897	338,639
Interest cost	384,343	199,344
Plan participants' contribution	(462,627)	(286,092)
Actuarial gains - Change in assumption	(208,914)	(45,370)
Actuarial losses - Experience adjustment	3,212,336	791,609
Benefit paid during the year	(868,867)	(380,905)
Balance at end of the year	**7,134,372**	**4,572,204**

Amounts recognised in the statement of profit or loss in respect of these defined benefit plans are as follows:

₦'000	31 December 2024	31 December 2023
Current service cost (Employee cost)	505,897	338,639
Interest on obligation (Finance cost)	384,343	199,344
	890,240	**537,983**

Amounts recognised in Other Comprehensive Income (OCI) are as follows:

₦'000	31 December 2024	31 December 2023
Actuarial loss/(gain) on defined benefit plan:		
- Change in assumption	(208,914)	(45,370)
- Change in experience adjustment	3,212,336	791,609
	3,003,422	**746,239**
Deferred tax (credit)/charge	(146,980)	(223,288)
Amount recognised in OCI (net of tax)	**2,856,442**	**522,951**

Notes to the Financial Statements Cont'd.

14. Employee benefit obligations (continued)

(b) Defined benefit plan (continued)

Net liability recognised in the statement of financial position

₦'000	31 December 2024	31 December 2023
Balance at 1 January	**4,572,204**	**3,954,979**
Net periodic benefit cost recognised in profit or loss	890,240	537,983
Benefit paid during the year	(868,867)	(380,905)
Plan participants' contribution	(462,627)	(286,092)
Amount recognised in other comprehensive income	3,003,422	746,239
Balance at 31 December	**7,134,372**	**4,572,204**

iii. **Sensitivity analysis on accrued liability**

₦'000		Accrued liabilities	
		2024	2023
		7,134,372	**4,572,204**
Sensitivity base	**Parameters**		
Discount rate	+1%	1,851,951	1,289,419
	-1%	2,128,529	1,482,604
Salary increase	+1%	2,140,994	1,490,324
	-1%	1,839,267	1,281,392
Mortality experience	Age rated up by 1 year	1,983,015	1,380,584
	Age rated down by 1 year	1,980,357	1,379,176

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The weighted average duration of the defined benefit obligation is 12.09 years (2023 – 8.44 years). The expected maturity analysis of the defined benefit obligation is as follows:

Year	₦'000
2025	611,448
2026	513,901
2027	553,653
2028	923,631
2029	1,155,920
2030-2034	7,419,697

Notes to the Financial Statements Cont'd.

15. Property, plant and equipment (PPE)

₦'000	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles
Cost					
At 1 January 2024	**1,383,379**	**61,371,127**	**561,745,063**	**983,632**	**3,683,458**
Additions	15,082	1,696,995	2,502,079	333,266	1,851,432
Transfers	2,247,196	79,913,928	416,446,211	-	-
Reclassifications	-	-	-	-	-
Disposals	-	-	(3,408)		(9,000)
Changes in estimates (Note 23)	-	-	-	-	-
At 31 December 2024	**3,645,657**	**142,982,050**	**980,689,945**	**1,316,898**	**5,525,890**
At 1 January 2023	**909,998**	**61,262,237**	**558,674,460**	**868,726**	**3,070,242**
Additions	473,381	108,890	3,070,603	114,906	613,216
Disposals	-	-	-	-	-
Changes in estimates (Note 23)	-	-	-	-	-
At 31 December 2023	**1,383,379**	**61,371,127**	**561,745,063**	**983,632**	**3,683,458**

Included in additions to capital work in progress is borrowing cost of ₦108.5 billion (2023: ₦37.8 billion).

₦'000	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles
Accumulated depreciation					
At 1 January 2024	**-**	**7,999,049**	**81,691,878**	**551,876**	**2,008,227**
Charge for the year	-	2,431,565	19,968,130	151,780	796,291
Disposals	-	-	(454)	-	(9,000)
At 31 December 2024	**-**	**10,430,614**	**101,659,554**	**703,656**	**2,795,568**
At 1 January 2023	**-**	**6,770,722**	**64,923,484**	**449,312**	**1,466,974**
Charge for the year	-	1,228,327	16,768,394	102,564	541,303
Disposals	-	-	-	-	-
At 31 December 2023	**-**	**7,999,049**	**81,691,878**	**551,876**	**2,008,277**
Net book value					
At 31 December 2024	**3,645,657**	**132,551,436**	**879,030,391**	**613,242**	**2,730,322**
At 31 December 2023	**1,383,379**	**53,372,078**	**480,053,185**	**431,756**	**1,675,181**

Notes to the Financial Statements Cont'd.

Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Capital work in progress	Total
23,696,579	**1,994,372**	**37,796,544**	**224,473,327**	**917,127,481**
-	375,661	-	391,468,885	398,243,400
-	-	49,061,383	(547,668,718)	-
-	-	-	(10,485,264)	(10,485,264)
	(614)	-	-	(13,022)
26,009,319	-	-	-	26,009,319
49,705,898	**2,369,419**	**86,857,927**	**57,788,230**	**1,330,881,914**
12,924,403	**1,653,436**	**32,807,396**	**85,486,515**	**757,657,413**
-	340,936	5,034,790	138,986,812	148,743,534
-	-	(45,642)	-	(45,642)
10,772,176	-	-	-	10,772,176
23,696,579	**1,994,372**	**37,796,544**	**224,473,327**	**917,127,481**

Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Capital work in progress	Total
4,646,564	**1,101,763**	**15,625,186**	**-**	**113,624,593**
1,846,546	298,062	9,298,241	-	34,790,615
-	(375)	-	-	(9,829)
6,493,110	**1,399,450**	**24,923,427**	**-**	**148,405,379**
3,702,832	**870,837**	**10,459,898**	**-**	**88,644,059**
943,732	230,926	5,170,955	-	24,986,201
-	-	(5,667)	-	(5,667)
4,646,564	**1,101,763**	**15,625,186**	**-**	**113,624,593**
43,212,788	**969,969**	**61,934,500**	**57,788,230**	**1,182,476,535**
19,050,015	**892,609**	**22,171,358**	**224,473,327**	**803,502,888**

Notes to the Financial Statements Cont'd.

15. Property, plant and equipment (PPE) (continued)

(a) All borrowings are secured by debenture on all the fixed and floating assets of the Company. Refer to Note 24 for further details.

There was a transfer of ₦547 billion from Capital work-in-progress to other asset classes in the period (2023: Nil)

There was a reclasssification of ₦10.5 billion for a gas delivery facility, previously in CWIP, which has been moved to other receivables, as the facility belongs to the gas supplier under a fund-and-transfer contract.

There was no write-off in the year (2023: Nil).

Included in quarry equipment is cost relating to restoration of quarry sites being mined by the Company as at 31 December 2024. Cost as at 1 January 2024 was ₦23.6 billion (note 15) and an addition of ₦26 billion (2023: an increase of ₦10.77 billion) was recognised in the current year due to changes in estimates. There was an adjustment of ₦2.5 billion to decommissioning liability recognised. Current year depreciation charge recognised on the restoration cost is ₦1.8billion (2023: ₦943.7 million).

(b) The depreciation charged for the year is apportioned as follows:

₦'000	31 December 2024	31 December 2023
Cost of sales (Note 6)	24,437,244	18,920,415
Administrative expenses (Note 7)	851,325	577,640
Distribution and selling expenses (Note 8)	9,502,046	5,488,146
	34,790,615	**24,986,201**

(c) Purchase of property, plant and equipment in statement of cash flows is calculated as follows:

₦'000	31 December 2024	31 December 2023
Increase in net book value of property, plant and equipment	378,973,647	134,489,534
Reclassification	10,485,264	-
Net book value of disposed assets	3,193	-
Depreciation of property plant and equipment	34,790,615	24,986,201
Change in estimate of decommissioning liability	(26,009,319)	(10,772,177)
Total addition	398,243,400	148,703,558
Adjustment for non-cash items:		
- capitalised borrowing cost	(108,516,501)	(37,786,191)
	289,726,899	**110,917,367**

Proceeds from disposal of PPE in statement of cash flows is analysed below:

₦'000	31 December 2024	31 December 2023
Proceed from disposal of asset	4,093	-
Cost	13,022	-
Accumulated depreciation	(9,829)	-
Less: net book value of disposed assets	**3,193**	**-**
Gains on disposal (Note 11)	**900**	**-**

16. Leases

This note provides information for leases where the Company is a lessee.

(a) *Amounts recognised in the statement of financial position*

The balance sheet shows the following amounts relating to leases:

₦'000	31 December 2024	31 December 2023
Right-of-use assets		
Opening balance as at 1 January 2024	**115,627**	**89,141**
Additions	78,557	123,179
Depreciation	(110,434)	(96,693)
Closing balance as at 31 December 2024	**83,750**	**115,627**

Notes to the Financial Statements Cont'd.

16. Leases (continued)

₦'000	31 December 2024	31 December 2023
Accumulated Depreciation		
Opening balance as at 1 January	**346,582**	**249,889**
Charge for the year	110,434	96,693
	457,016	**346,582**

(b)

₦'000	31 December 2024	31 December 2023
Lease liabilities		
Opening balance as at 1 January 2024	**73,867**	**55,788**
Additions	78,557	123,179
Interest expense on lease liability	8,259	11,588
Payments	(72,512)	(116,688)
Closing balance as at 31 December 2024	**88,171**	**73,867**
Current	88,171	73,867
Non-current	-	-
	88,171	**73,867**

(c) The statement of profit or loss shows the following amounts relating to leases:

₦'000	2024	2023
Depreciation charged to cost of sales (Note 6)	21,395	19,466
Depreciation charged to administrative expenses (Note 7)	89,039	77,229
Finance cost on lease liability (Note 12)	8,259	11,588
	118,693	**108,283**

17. Intangible assets

₦'000	Licences	Exploration Assets	Software	Total
Cost				
At 1 January 2024	**3,025**	**14,093,483**	**109,724**	**14,206,232**
Additions during the year	-	1,146,829	-	1,146,829
At 31 December 2024	**3,025**	**15,240,312**	**109,724**	**15,353,061**
Accumulated amortisation				
At 1 January 2024	**3,025**	**1,287,558**	**93,985**	**1,384,568**
Charge for the year	-	604,277	9,173	613,450
At 31 December 2024	**3,025**	**1,891,835**	**103,158**	**1,998,018**
Cost				
At 1 January 2023	**3,025**	**7,999,611**	**109,724**	**8,112,360**
Additions during the year	-	6,093,872	-	6,093,872
At 31 December 2023	**3,025**	**14,093,483**	**109,724**	**14,206,232**
Accumulated amortisation				
At 1 January 2023	**3,025**	**909,973**	**60,458**	**973,456**
Charge for the year	-	377,585	33,527	411,112
At 31 December 2023	**3,025**	**1,287,558**	**93,985**	**1,384,568**
Net book value				
At 31 December 2024	-	**13,348,477**	**6,566**	**13,355,043**
At 31 December 2023	-	**12,805,925**	**15,739**	**12,821,664**

Notes to the Financial Statements Cont'd.

17. Intangible assets (continued)

The amortisation charged for the year is apportioned as follows:

₦'000	31 December 2024	31 December 2023
Cost of sales (Note 6)	604,277	377,585
Administrative expenses (Note 7)	9,173	33,527
	613,450	**411,112**

Exploration assets are costs directly associated with the acquisition of quarries and other exploration costs. Amortisation charge is expensed in cost of sales and administrative expenses based on the use of the related intangible assets.

18. Inventories

₦'000	31 December 2024	31 December 2023
Fuel	10,565,161	13,595,140
Engineering spares	42,159,606	26,863,351
Packing materials	2,020,140	2,832,703
Raw materials	44,366,662	21,469,783
Goods in transit	2,017,551	592,644
Work in progress	58,376,011	19,844,642
Finished goods	292,296	607,517
	159,797,427	**85,805,780**

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2024 amounted to ₦17.09 billion (2023: ₦23.05 billion). These were included in cost of sales.

There was no provision made for inventory obsolescence during the year (2023: Nil).

19. Cash and cash equivalents

Cash and cash equivalents (included in statement of cash flows)

₦'000	31 December 2024	31 December 2023
Cash in hand	14,510	8,211
Cash in bank	45,596,919	72,367,814
Short term deposits	39,137,821	152,701,504
Total	**84,749,250**	**225,077,529**

20. Trade receivables

(i)

₦'000	31 December 2024	31 December 2023
Gross carrying amount – Trade receivables	228,925	63,685
Less: loss allowance (Note 3.1.2)	(381)	(70)
Net carrying amount – Trade receivables	**228,544**	**63,615**

(ii) Impairment of trade receivables

The reconciliation of loss allowance as at 31 December 2024 is as follows:

₦'000	31 December 2024	31 December 2023
As at 1 January	**70**	**3,263**
Write off during the year	-	(3,238)
Impairment loss for the year	311	45
At 31 December	**381**	**70**

Notes to the Financial Statements Cont'd.

21. Prepayments and other assets

₦'000	31 December 2024	31 December 2023
Prepayment for engineering and construction work	25,942,427	47,239,935
*Other prepayments	80,147,308	37,297,056
Advance to staff	800,138	457,545
	106,889,873	**84,994,536**

*Other prepayments relate to advance payments made to vendors for supply of products and spares.

22. Trade and other payables

(a)

₦'000	31 December 2024	31 December 2023
Financial liabilities:		
Trade payables	332,550,376	54,028,818
Other payables and accrued expenses	6,519,124	4,382,578
Unclaimed dividend	714,151	714,151
	339,783,651	**59,125,547**
Non-financial liabilities:		
Accruals, provisions and other liabilities	279,379	279,131
Statutory obligations:		
Payroll tax and other statutory liabilities	1,175,737	1,162,115
Withholding tax payable	21,425,924	7,350,999
Minimum tax	2,057,862	414,299
Value added tax payable	12,350,571	13,632,226
	377,073,124	**81,964,317**

(b) Changes in trade payables in the statement of cash flows is as follows:

₦'000	31 December 2024	31 December 2023
Movement in trade payables and other payables	295,108,807	2,898,030
Effect of unrealised exchange profit/(loss) (Note 7)	93,062,591	(17,475,605)
Movement in unclaimed dividend received	-	(24,615)
Minimum tax	(2,057,862)	(414,299)
	386,113,536	**(15,016,489)**

23. Provision for decommissioning liabilities

BUA Cement Plc is involved in the mining of six active limestone quarries, two clay quarries and four proposed quarries. The quarry licenses are largely for 5 years at a time, and can be renewed for a nominal fee on expiration. The Company has a constructive obligation to restore, where practical, all areas disturbed by mining operations to an acceptable land use and capability and has made provision for the estimated cost of site restoration. The decommissioning provision is estimated based on the assumption that decommissioning will take place between 24 months and 144 months as at 31 December 2024.

There were eight active quarries as at 31 December 2024 (2023: eight quarries) namely Cambut, Obu pit, Camp clay, Ikpobia clay, Edelstein, Edelstein north, Freedom and Gamla, with estimated useful lives ranging from 24 months to 144 months (2023: 12 months to 144 months). Hence, in the event of renewal of the licenses after the first expiration, some of these quarries would not have reached the end of their useful lives before the license can be renewed for a second time. Where there is a possibility that these licenses would not be renewed, then the estimated useful lives would be adjusted to reflect the new assumption.

The provision for decommissioning cost has been estimated based on the scope and method of abandonment using current requirements, price level adjusted for inflation and discounted using a risk-free discount rate for the eight active quarry sites as at 31 December 2024. Actual costs may however differ from the estimates based on the prevailing assumptions at the relevant periods.

Notes to the Financial Statements Cont'd.

23. Provision for decommissioning liabilities (continued)

(a) The table below shows the movement in the decommissioning liabilities:

₦'000	31 December 2024	31 December 2023
Balance at 1 January	**25,129,801**	**12,698,953**
Increase in decommissioning liability as a result of changes in estimates	26,009,319	10,772,177
Recultivation cost	9,600	9,600
Decommissioning liability adjustment (Note 6)	(2,548,608)	-
Unwinding of interest	3,542,402	1,649,071
At 31 December	**52,142,514**	**25,129,801**

(b)

₦'000	31 December 2024	31 December 2023
Provision for decommisioning liabilities		
Current	3,542,402	1,649,072
Non-current	48,600,112	23,480,729
	52,142,514	**25,129,801**

24. Bank borrowings

₦'000	31 December 2024	31 December 2023
Bank loans	493,138,713	418,156,908
	493,138,713	**418,156,908**

₦'000	31 December 2024	31 December 2023
Bank loans - Current	48,314,584	122,689,462
Bank loans - Non-current	444,824,129	295,467,446
	493,138,713	**418,156,908**

(a) The analysis of borrowings during the year is as shown below:

₦'000	31 December 2024	31 December 2023
At 1 January	**418,156,908**	**125,435,470**
Additional drawdowns in the year	22,844,569	231,469,510
Principal repayments	(190,422,793)	(93,746,240)
Accrued Interest - expense (Note 12)	43,788,954	9,260,191
Accrued Interest capitalised	56,023,351	29,600,504
Interest repayments	(94,913,336)	(36,062,945)
Foreign exchange loss expensed	185,167,910	144,014,731
Foreign exchange loss capitalised	52,493,150	8,185,687
At 31 December	**493,138,713**	**418,156,908**

Bank borrowings are secured by an all asset debenture over the fixed and floating assets of the Company. The First Bank borrowing was secured with land and building comprising factory buildings, warehouses and other buildings; and plant and machineries of the Company.

Notes to the Financial Statements Cont'd.

24. Bank borrowings (continued)

The borrowings have been analysed below

₦'000	31 December 2024	31 December 2023
Due to International Finance Corporation	449,973,157	264,097,120
Due to First Bank of Nigeria Plc	12,644,715	104,190,795
Due to Union Bank of Nigeria	16,612,532	20,865,657
Due to Fidelity Bank Nigeria Plc	13,272,173	18,147,152
Due to Sterling Bank Plc	-	4,535,550
Due to Providus Bank	636,136	2,866,605
Due to Coronation Merchant Bank Limited	-	2,508,367
Due to FBNQuest Merchant Bank Limited	-	945,662
	493,138,713	**418,156,908**

(b) Bank borrowings

(i) Due to First Bank of Nigeria Plc

The sum of ₦12.6 billion represents the outstanding balance of a long-term loan and a short-term loan granted by First Bank of Nigeria Plc. The long-term loan has an outstanding balance of ₦4.6 billion and matures on April 13, 2025. It carries a floating interest rate of 26% (2023: 19%). The short-term loan is an import trade finance loan with an outstanding balance of ₦8 billion at a floating rate of SOFR + 10%.

(ii) Due to Union Bank of Nigeria Plc

The sum of ₦20 billion was obtained via CBN intervention fund from Union Bank of Nigeria Plc for a period of 10 years with effect from October 2020 at an interest rate of 5% per annum until August 2022 and then 9% afterwards.

(iii) Due to Fidelity Bank Nigeria Plc

The sum of ₦20 billion was obtained via CBN intervention fund from Fidelity Bank Nigeria Limited for a period of 10 years with effect from October 2020 at an interest rate of 5% per annum until August 2022 and then 9% afterwards.

(iv) Due to International Finance Corporation (IFC)

The sum of ₦449.9 billion ($292.5 million) represents the outstanding balance of a 9-year term loan granted to the company by IFC and other lenders, including the African Finance Corporation, the African Development Bank, and Deutsch Investitions- und Entwicklungsgesellschaft mbH, on April 27, 2023. There is a moratorium on principal repayments until 2025, and interest is payable semi-annually at a variable rate based on the 6-month SOFR + 5.5%. Loan repayments will commence in December 2025, and the facility will mature in December 2032.

(v) Due to Providus Bank Plc

The sum of ₦636 million represents the outstanding balance on the import finance facility granted to the Company by Providus Bank. The facility carries an interest rate of 18%.

25. Debt security issued

₦'000	31 December 2024	31 December 2023
Debt securities at amortised cost:	85,741,880	114,124,633
Series 1 bond	**85,741,880**	**114,124,633**
Current	28,489,096	-
Non-current	57,252,784	114,124,633
	85,741,880	**114,124,633**

Notes to the Financial Statements Cont'd.

25. Debt security issued (continued)

(a) The analysis of debt security issued during the year is as shown below:

₦'000	31 December 2024	31 December 2023
At 1 January	**114,124,633**	**113,932,939**
Principal repayments	(28,750,000)	-
Interest expense (Note 12)	8,453,184	8,816,694
Interest repayments	(8,085,937)	(8,625,000)
At 31 December	**85,741,880**	**114,124,633**

(b) The Company issued a local bond of ₦115 billion on 30 December 2020 with a coupon rate of 7.5% payable semi-annually (Series 1 of ₦200 billion bond issuance programme). The bond has a tenor of 7 years and is due on 30 December, 2027. There is a moratorium of 3 years on the principal repayment of the bond, whilst interest is payable on a semi-annual basis at their respective interest rates.

BUA Cement Plc will have the right to exercise a call option to effect early redemption of the bonds, either in part or in whole, as from the expiration of 48 months from the issue date, in accordance with the provisions of the Series 1 Trust Deed.

On initial recognition of the Series 1 bond, Management assessed the impact of the call option on the contractual cash flows to the bondholders and determined that the call option does not materially affect the contractual cash flows of the debt host contract, hence the option is closely related to the host contract and is not bifurcated from the host contract. The Series1 bond has been classified as a debt measured at amortised cost using effective interest rate.

26. Government grant

(a)

₦'000	31 December 2024	31 December 2023
Current	640,870	753,967
Non-current	1,463,930	2,104,800
	2,104,800	**2,858,767**

(b) Movement in government grant is analysed below:

₦'000	31 December 2024	31 December 2023
Balance as at 1 January	**2,858,767**	**3,721,262**
Amount unwound to profit or loss (Note 11)	(753,967)	(862,495)
Balance as at 31 December	**2,104,800**	**2,858,767**

Government grant arose from a Central Bank of Nigeria (CBN) intervention fund for the construction of a 3 million metric tonnes per annum cement plant in Kalambaina, Sokoto in 2020. It relates to the Fidelity Bank RSSF and Union Bank RSSF which were granted at initial rate of 5%, and 9% subsequently. The interest rates on these borrowings were below market rate and the portion below the market rate was treated as government grant.

27. Share capital

(a) **Authorised:**

₦'000	31 December 2024	31 December 2023
33,864,354,060 ordinary shares @ 50 kobo per share	**16,932,177**	**16,932,177**

(b) **Issued and fully paid**

₦'000	31 December 2024	31 December 2023
Balance as at 1 January and 31 December		
33,864,354,060 ordinary shares @ 50 kobo per share	**16,932,177**	**16,932,177**

Notes to the Financial Statements Cont'd.

28. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

₦'000	31 December 2024	31 December 2023
Profit attributable to ordinary equity holders of the Company	73,909,235	69,454,750
Weighted average number of ordinary shares in issue ('000)	33,864,354	33,864,354
Basic earnings per share (Naira)	2.18	2.05

Diluted earnings per share is the same as the basic earnings per share as there are no potential securities convertible to ordinary shares.

29. Particulars of Directors and staff

(a) Particulars of staff

The average number of persons, excluding Directors, employed by the Company during the year was as follows:

₦'000	31 December 2024	31 December 2023
Management	17	19
Production	1,103	782
Administration	498	456
	1,618	**1,257**

(b) The table below shows the number of employees (excluding Directors) of the Company in receipt of emoluments, including allowances and pension costs within the following bands during the year.

₦'000	31 December 2024	31 December 2023
₦100,000 - ₦500,000	-	-
₦500,001 - ₦1,000,000	92	16
₦1,000,001 -₦2,000,000	167	346
₦2,000,001 - ₦3,000,000	324	205
₦3,000,001 - ₦4,000,000	165	205
₦4,000,001 - ₦5,000,000	56	139
₦5,000,001 - ₦10,000,000	624	267
₦10,000,001 - ₦15,000,000	112	41
₦15,000,001 - ₦20,000,000	36	17
₦20,000,001 - ₦25,000,000	8	21
₦25,000,000- ₦30,000,000	16	-
₦30,000,000- ₦35,000,000	-	-
₦35,000,000- ₦40,000,000	4	-
₦40,000,000- ₦45,000,000	1	-
₦45,000,000- ₦50,000,000	2	-
₦50,000,000- ₦55,000,000	-	-
₦55,000,000- ₦60,000,000	1	-
₦60,000,000- ₦70,000,000	2	-
Above >₦70,000,000	8	-
	1,618	**1,257**

Notes to the Financial Statements Cont'd.

29. Particulars of Directors and staff (continued)

(c) Particulars of Directors

Directors' emoluments

The remuneration paid to the Directors of the Company was:

₦'000	31 December 2024	31 December 2023
Emoluments paid to the Directors of the Company	644,760	435,979
Amount paid to the highest paid Director	281,151	135,953

The number of Directors of the Company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Company fell within the following ranges:

	31 December 2024	31 December 2023
₦1,000,000 - ₦5,000,000	-	1
₦15,000,001 - ₦65,000,000	7	7
₦80,000,001 - ₦300,000,000	2	1
	9	**9**

30. Related party transactions and balances

The ultimate majority shareholder of the Company, Alhaji Abdul Samad Rabiu CON, CFR is the ultimate controlling party. The ultimate controlling party has controlling interests in other companies. These companies are considered to be related parties to BUA Cement Plc.

The Company's transactions and balances arising from dealings with related parties during the year are shown below:

(a) Transactions with related parties

i. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. BUA Cement Plc has identified its Management Team as its key management personnel. The compensation paid or payable to key management for employee services is shown below:

₦'000	31 December 2024	31 December 2023
Salaries and other short-term employee benefits	1,194,182	795,578
Pension costs	55,765	62,361
	1,249,947	**857,939**

ii. Transfer/(receipt) of funds

The treasury function of related entities of the Company are managed centrally.

(b) Outstanding balances with related parties

Amounts due from related parties represents advance payments for goods/services expected from related parties.

The outstanding balance of Nil (2023: ₦51.1 billion) that is due to related parties relates to LCs opened on behalf of BUA Cement Plc.

Notes to the Financial Statements Cont'd.

30. Related party transactions and balances (continued)

i Due from related parties

₦'000	Relationship	31 December 2024	31 December 2023
BUA International Limited	Sister company	22,684,364	-
PW Nigeria Limited	Sister company	87,079	3,304,738
Edo Cement Company Limited	Sister company	-	-
BUA Cement Manufacturing Limited	Sister company	-	-
Nigeria Oil Mills Limited	Sister company	-	-
BUA Food Plc	Sister company	-	-
Damas Shipping Limited	Sister company	-	-
BUA Ports and Terminals Limited	Sister company	-	-
BUA Transport Limited	Sister company	-	-
Damnaz Cement Limited	Sister company	-	-
Nigeria Oil Mills (UK) Limited	Sister company	-	-
BUA Estate Limited	Sister company	-	-
		22,771,443	**3,304,738**

ii. Due to related parties

₦'000	Relationship	31 December 2024	31 December 2023
BUA International Limited	Sister company	-	51,118,269
		-	**51,118,269**

(c) Impairment of receivables from related parties

There was no impairment charged on amount due from related parties (2023: nil).

The net carrying amount of receivables from related parties is shown below:

₦'000	31 December 2024	31 December 2023
Gross carrying amount – due from related parties (Note 30b(i))	22,771,443	3,304,738
	22,771,443	**3,304,738**

(d) Changes in due from related parties in the statement of cash flows is as follows:

₦'000	31 December 2024	31 December 2023
Movement in due from related parties	(19,466,705)	13,242,854
	(19,466,705)	**13,242,854**

(e) Changes in due to related parties in the statement of cash flows is as follows:

₦'000	31 December 2024	31 December 2023
Movement in due to related parties	**(51,118,269)**	**51,118,269**

31. Contingent liabilities

The Company is subject to some pending litigations arising in the normal course of business as at 31 December 2024. The summary of pending litigations are listed below:

(i) The Company is a nominal party in suit number B/225/2020 filed by Citizen Emmanuel Kolawole Okhakhu and Prof. Omaze Anthony Afemikhe claiming against the composition of the community committee and seeking for perpetual injunction restraining the 2nd to 4th defendant from holding themselves out as representatives of Okpella and perpetual injunction restraining the 5th defendant (BUA Cement Plc) from paying to the 1st, 2nd, 3rd and 4th defendant on behalf of the host community Okpella the agreed sum of ₦200,000,000 for the year 2019/2020. The outcome is likely to be favourable.

Notes to the Financial Statements Cont'd.

(ii) The Company is a nominal party in suit number HIG/33/2022 now HIG/45/2022 filed by Chief Orifa Oloke Asewele vs. Chief Iddu Oremeh Osese & BUA Cement Company. The Claimants are seeking an order to restrain the Company from dealing with the 1st defendant. The outcome will not have a negative effect on the Company.

Based on legal advice, the probability of a material claim crystallizing against the Company is low, hence no provisions have been recognised on these litigations.

32. Capital commitments and guarantees

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

₦'000	31 December 2024	31 December 2023
Construction of Head office Building (Sokoto)	9,680,643	-
Purchase of Quarry Equipment	6,276,060	-
Obu Plant Line 1 limestone crusher and transport project	10,105,097	-
HFO distribution system	5,239,472	-
LBC and Coal Mill	32,086,072	-
Site clearing -Ososo project	1,567,568	-
70MV Power Plant for line 3	-	1,102,423
Completion of Line 2 packer 5 & 6	-	81,249
Construction of Mosque at Line 4	-	12,000
Construction of 4000cum tank foundation, retaining walls etc for line 3	-	22,371
Construction of Admin Block and Electrification	-	184,818
Construction of 2 Fire Truck Building	-	22,836
Cables required for Power connection	-	26,606
Drilling and Installation of Motorized Borehole for CBMI Operational Dormitory	-	14,349
Electrical installations for 70MW power plant	-	1,016,158
Construction of 4000cum fuel tank for line 3	-	71,365
Construction of heavy duty concrete road to service line 3	-	202,591
	64,954,912	**2,756,766**

(b) Guarantees

The Company had a guarantee of ₦1.1 billion with Keystone Bank Limited as at 31 December 2024 (2023: ₦6 million) with maturity date of 7 April 2025.

(c) Confirmed letters of credit and other obligations on behalf of customers

In the normal course of business, the Company is a party to financial instruments with off-balance sheet risk. These instruments are issued in favour of Wartsila. The contractual amounts of the off-balance sheet financial instruments are:

- Letters of credit worth €19,445,010 with United Bank for Africa Plc and €19,627,028 from Zenith Bank Plc.

33. Subsequent events

There was no significant event after the reporting period which could have had a material effect on the disclosures and financial position of the Company as at 31 December 2024 and on its profit or loss and other comprehensive income for the year.

Statement of Value Added

₦'000	Notes	31 December 2024	%	31 December 2023	%
Revenue from contracts with customers	5	876,469,849		459,998,999	
Other income	11	1,063,756		2,062,130	
		877,533,605		462,061,129	
Less: Bought in materials and services:					
Local and imported		(684,143,230)		(352,552,514)	
Value added		**193,390,375**	**100**	**109,508,615**	**100**
Applies as follows:					
To pay employees:					
Staff cost	9	19,974,687	11	10,762,422	10
To pay providers of funds:					
Net finance cost	12	41,851,331	22	7,054,765	6
To pay government:					
Income tax charge	13(a)	25,720,949	13	(2,226,574)	(2)
To provide for enhancement of assets and growth:					
Depreciation	6, 7 & 8	34,790,615	18	24,986,201	23
To augment reserve		71,052,793	37	68,931,799	63
		193,390,375	**100**	**109,508,613**	**100**

This statement represents the distribution of the wealth created through the use of the Company's assets by its own and employees' efforts.

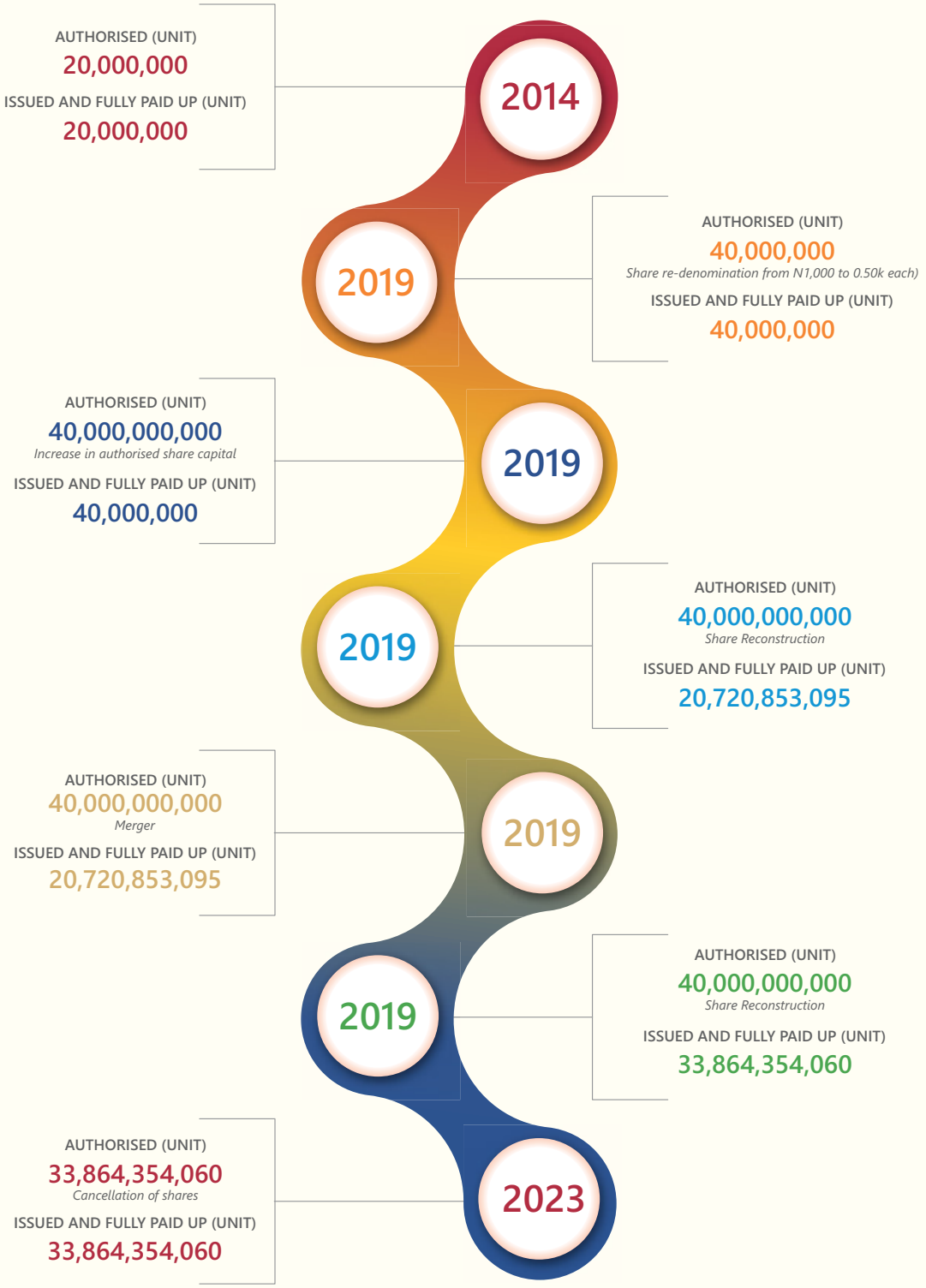
Five-Year Financial Summary

BUA Cement Plc					
₦'000	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Assets employed					
Non-current assets	1,195,915,328	816,440,179	676,241,399	584,308,003	527,668,305
Current assets	374,436,537	399,246,198	149,723,838	144,199,470	238,634,273
Current liabilities	(574,554,529)	(376,929,099)	(257,561,156)	(145,355,119)	(208,100,189)
Non-current liabilities	(607,249,101)	(453,533,128)	(205,338,186)	(185,035,606)	(182,247,661)
Net assets	**388,548,235**	**385,224,150**	**363,065,895**	**398,116,748**	**375,954,728**
Capital employed					
Ordinary share capital	16,932,177	16,932,177	16,932,177	16,932,177	16,932,177
Other reserves	(4,087,261)	(1,230,819)	(707,868)	(740,357)	(897,136)
Retained earnings	175,699,140	169,518,613	194,884,054	181,920,749	159,915,508
Reorganisation reserve	200,004,179	200,004,179	200,004,179	200,004,179	200,004,179
Total equity	**388,548,235**	**385,224,150**	**411,112,542**	**398,116,748**	**375,954,728**

BUA Cement Plc					
₦'000	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Revenue from contract with customers	876,469,849	459,998,999	360,989,105	257,327,091	209,443,487
Profit before tax	99,630,184	67,228,176	120,154,049	102,873,325	78,873,498
Income tax credit/(expense)	(25,720,949)	2,226,574	(19,143,424)	(12,794,314)	(6,529,162)
Profit for the year	73,909,235	69,454,750	101,010,625	90,079,011	72,344,336
Total comprehensive income	**71,052,793**	**68,931,799**	**101,043,114**	**90,235,790**	**71,520,102**
Earnings per share (Naira)	**2.18**	**2.05**	**2.98**	**2.66**	**2.14**
Net assets per share (Naira)	**22.95**	**22.75**	**24.28**	**23.51**	**22.20**

Net assets per share is calculated by dividing net assets of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

SHARE CAPITAL HISTORY



Shareholder
Shareholder
BUA
CEMENT

Shareholder Information

136	Contact Details (Investor Relations, Registrars)
137	E-Dividend Mandate Activation Form
139	Share holders update form
141	Proxy Form
145	De-materialisation Form

05

Contact Details

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E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

Previous Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Tax Identification Number (TIN)

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

1. ABBEY MORTGAGE BANK PLC ☐
2. ADAMAWA STATE GOVERNMENT BOND ☐
3. AFRILAND PROPERTIES ☐
4. AFRICA PRUDENTIAL PLC ☐
5. BECO PETROLEUM PRODUCTS PLC ☐
6. BUA CEMENT ☐
7. BUA FOODS ☐
8. BENUE STATE GOVERNEMENT BOND ☐
9. CAP PLC ☐
10. CAPPA AND D'ALBERTO PLC ☐
11. CHAMPION BREWERIES ☐
12. CSCS ☐
13. CORDROS MONEY MARKET FUND ☐
14. EBONYI STATE GOVERNMENT BOND ☐
15. GOLDEN CAPITAL PLC ☐
16. HALDANE MCCALL PLC ☐
17. INFINITY TRUST MORTGAGE ☐
18. INVESTMENT & ALLIED ASSURANCE PLC ☐
19. JAIZ BANK ☐
20. KADUNA STATE GOVERNMENT BOND ☐
21. LIVING TRUST MORTGAGE BANK ☐
22. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
23. MIXTA REAL ESTATE PLC ☐
24. NEXANS KABLE METAL NIG. PLC ☐
25. PERSONAL TRUST & SAVINGS LTD ☐
26. P.S. MANDRIDES PLC ☐
27. PORTLAND PAINTS & PRODUCTS NIG. PLC ☐
28. PREMIER BREWERIES PLC ☐
29. TRANSCORP HOTELS PLC ☐
30. TRANSCORP POWER PLC ☐
31. TRANSCORP PLC ☐
32. TOWER BOND ☐
33. UACN PLC ☐
34. UNITED BANK FOR AFRICA PLC ☐
35. UNITED CAPITAL PLC ☐
36. UNITED CAPITAL BALANCED FUND ☐
37. UNITED CAPITAL BOND FUND ☐
38. UNITED CAPITAL EQUITY FUND ☐
39. UNITED CAPITAL MONEY MARKET FUND ☐
40. UNITED CAPITAL NIGERIAN EUROBOND FUND ☐
41. UNITED CAPITAL WEALTH FOR WOMEN FUND ☐
42. VFD GROUP PLC ☐
43. WEST AFRICAN GLASS IND PLC ☐

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KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS *(if any)*

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE D D M M Y Y Y Y

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. TAX IDENTIFICATION NUMBER (TIN)

22. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES
4. AFRICA PRUDENTIAL PLC
5. BECO PETROLEUM PRODUCTS PLC
6. BUA CEMENT
7. BUA FOODS
8. BENUE STATE GOVERNEMENT BOND
9. CAP PLC
10. CAPPA AND D'ALBERTO PLC
11. CHAMPION BREWERIES
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18. INVESTMENT & ALLIED ASSURANCE PLC
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Nigeria T. 01 461 0669 - 70 E. info@buacement.com

PROXY FORM

9th Annual General Meeting of BUA Cement PLC ("the Company") to be held on **Monday, 21st July 2025** at the **Congress Hall, Transcorp Hilton Hotel, No. 1, Aguiyi Ironsi Street, Maitama, Abuja** at **11:00 am** .

I/We _____

of _____

_____

member/members of BUA Cement Plc, hereby appoint _____

alternatively, failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held at 11:00am on Monday, 21st July 2025.

Dated this _____ day of _____ 2025. Signature _____

	NUMBER OF SHARES HELD														
NO.	**ORDINARY BUSINESS**													**FOR**	**AGAINST**
1.	**To lay before the Members the Audited Financial Statements for the year ended 31st December 2024, together with the reports of the Directors, External Auditors, and the Audit Committee thereon.**														
2.	**To declare a dividend (₦2.05k).**														
3.	**To re-elect the following Directors who are retiring by rotation:**														
	i. Khairat Abdulrazaq-Gwadabe – Independent Non-Executive Director														
	ii. Shehu Abubakar – Independent Non-Executive Director														
	iii. Finn Arnoldsen – Non-Executive Director														
4.	**To authorize the Directors to fix the remuneration of the Auditors for the 2025 Financial Year. (₦200,000,000) VAT exclusive.**														
5.	**To elect members of the Audit Committee.**														
6.	**To disclose the remuneration of the managers of the Company.**														
	SPECIAL BUSINESS														
7.	**To approve the remuneration of the Directors.**														
	a. To approve the sum of ₦18,200,000 as the Chairman's fee per annum.														
	b. To approve the sum of ₦12,740,000 as the Non-Executive Directors' fee per annum.														
	c. To approve the sum of ₦14,560,000 as the Independent Non-Executive Directors' fee per annum.														
8.	**To consider and pass this resolution as an ordinary resolution:** That, in compliance with Rule 20.8(a) of the Nigerian Exchange Limited Rules governing transactions with Related Parties or Interested Persons, the Company, and its related entities be and are hereby granted a General Mandate in respect of all recurrent transactions entered with a related party or interested person, provided that such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall take effect on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held.														

Please indicate with 'X' in the appropriate space how you wish your votes cast on the resolutions set out above, unless otherwise instructed, the proxy will vote or abstain from voting at his own discretion.

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BUA Cement Plc RC 119 3879
(A BUA Company)

Headquarters: 5th Floor, BUA Towers, PC 32, Churchgate Street
Victoria Island, Lagos, Nigeria T. 01 461 0669 - 70
E. info@buacement.com

Proxy Form

NO.	NOTE
1.	Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead.
2.	Please sign this form and deposit it at the office of the Company's Registrars at 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the holding of the meeting. If the shareholder is a corporate body, this form must be sealed under its common seal or under a duly authorized attorney with provision made in writing.
3.	Shareholder's name to be inserted in BLOCK LETTERS in the blank space provided. In the case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted. If any shareholder is unable to appoint a proxy to attend the meeting, he or she may appoint Abdul Samad Rabiu CFR, the Chairman of the Company as a proxy. Alternatively, if you wish to appoint a different individual as your proxy for the meeting, kindly insert the name of the person in the provided blank space. This person may be a member of the Company or any other individual who will attend the meeting and vote on your behalf.
4.	For the proxy form to be considered valid and effective for the purpose of this meeting, it must be duly stamped in accordance with the provisions of the Stamp Duties Act, Cap S8, Laws of the Federal Republic of Nigeria, 2004.
5.	Proxy holders are required to present the admission card that is attached to this form upon arrival at the meeting venue. This card will provide the required access to the meeting.

REGISTRARS:
AFRICA PRUDENTIAL PLC
220B IKORODU ROAD
PALMGROVE
LAGOS.

cut along this line

Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in "**the company**". I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: *Surname* *First Name* *Middle Name*

ADDRESS:

GSM NUMBER: **E-MAIL:**

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:**

CLEARING HOUSE NUMBER(CHN): C **REGISTRAR'S ID NO (RIN):**

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: **BANK:**

BANK A/C NUMBER: *Must be NUBAN* **BVN:** *Must be confirmed by bank* **AGE OF A/C:** *DD MM YYYY* *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*	Authorized Signature (2) *(and stamp of Stockbroker)*	Shareholder's Signature & Date	Shareholder's Signature & Date (2) *(if applicable)*	Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Dated this ☐☐ day of ☐☐☐, 20☐☐

Name:

Signature:

Joint (2) (if applicable):

Joint (3) (if applicable):

Company Seal

In the Presence of:

Name: **GSM NO:**

Address: **Signature:**

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): **Authorised Signatory (2):**

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

BUA Cement Plc RC1193879

Headquaters
5th Floor, BUA Towers
PC 32, Churchgate Street
P.O.Box 70106, Victoria Island
Lagos, Nigeria.
T. 01 4610669-70

OBU FACTORY

KM 164, Benin - Okene Expressway
Okpelle, Edo State, Nigeria.

SOKOTO FACTORY

KM 10, Kalambaina Road
P.M.B 02166, Sokoto
Sokoto State, Nigeria.

EMAIL & WEBSITE

E. info@buacement.com
W. www.buacement.com