BUA CEMENT PLC RC1193879

REINFORCING PURPOSE

ANNUAL REPORT & ACCOUNTS 2023

Content

Company Overview

Sustainability

Corporate Governance

Financial Information

Shareholder Information

Company Overview

Company Overview

Company Philosophy

Our Vision

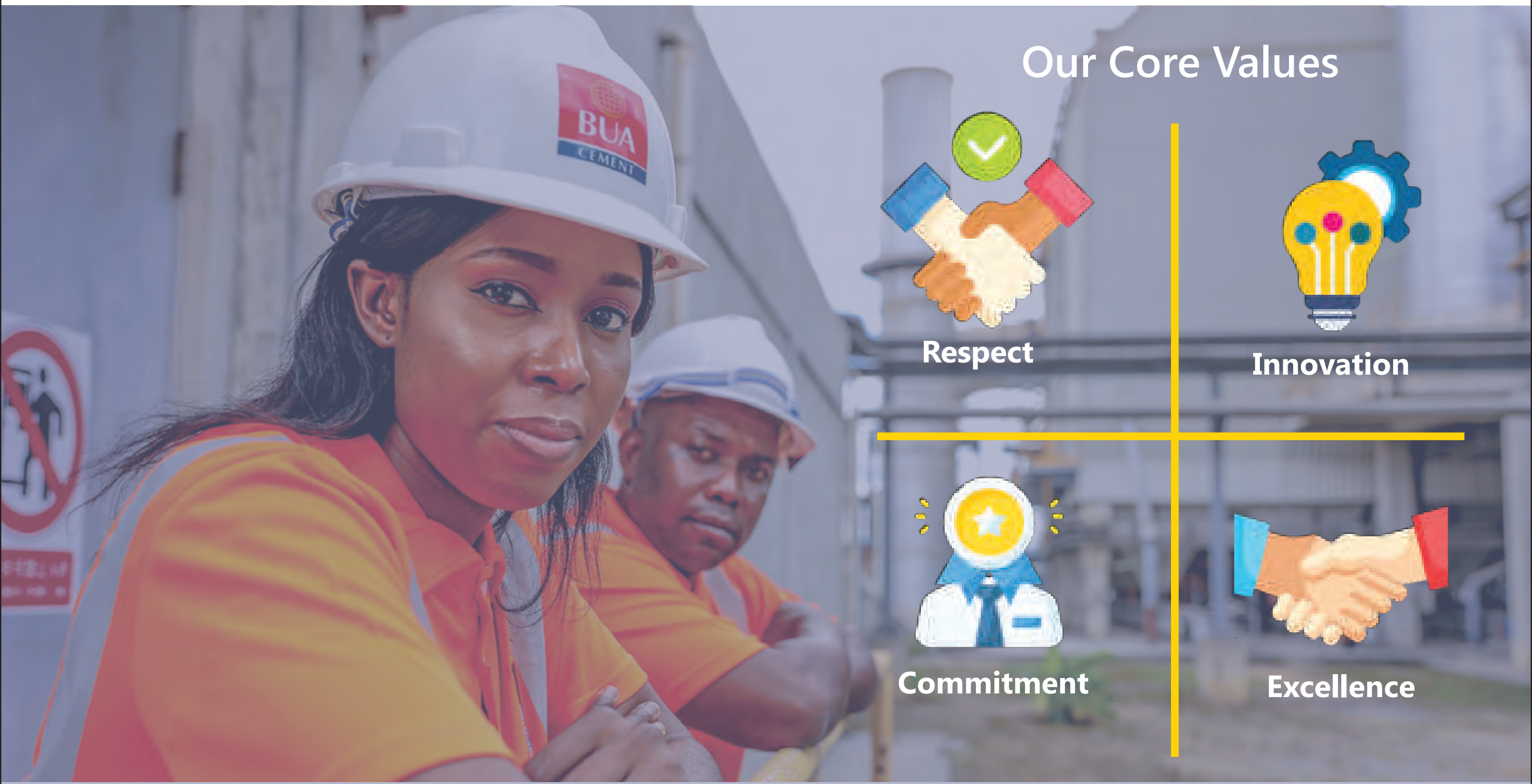
To be a highly competitive market leader in Nigeria.

Our Mission

To produce and market high quality cement for national development.

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 Core Values

- **Respect**
- **Innovation**
- **Commitment**
- **Excellence**

2023: Performance Highlights

Operational performance highlights

INSTALLED POWER

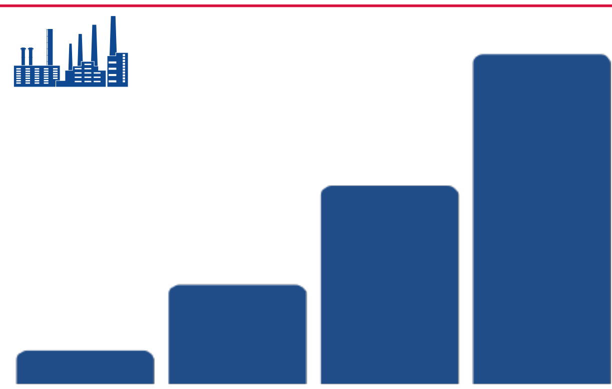
Obu Line I and II

91MW
Captive power plants

Sokoto Line II and III & IV

130MW
Captive power plants

INSTALLED CAPACITY



CAPACITY UTILISATION ATTAINED 61.2% (2022: 59.8%)

VOLUME

2023 6.7MMT

2022 6.3MMT

Financial performance highlights

	Revenue	EBITDA	Profit Before Tax
2023	₦460 bn	₦169.3 bn	₦67.2 bn
2022	₦361 bn	₦154.5 bn	₦120.2 bn

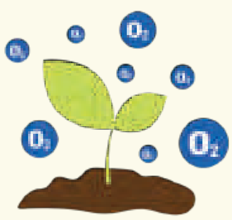
2023: Performance Highlights (cont.)

Sustainability performance highlights

CIRCULAR ECONOMY

Achieved 50.3% waste diversion from landfills through reuse & resale, driving cost savings & sustainability.

AIR QUALITY



- PM: 42 g/t Cli
  25g/t Cli (2022)
- SOx: 21 g/t Cli
  85 g/t Cli (2022)
- NOx: 1,698 g/t Cli
  1,713 g/t Cli (2022)

COMMUNITY

- Attained a 70% focus on proactive engagement with host communities, fostering a harmonious relationship.
- Successfully launched 26 social investment projects valued at ₦1.1 billion.
- Catered to crucial community needs, with social investments in education (35%), infrastructure (31%), empowerment (19%), WASH[1] (12%), and health (4%).
- Achieved a 50% increase in educational initiatives.
- Created over 177 job opportunities, with c. 5% of the positions filled by local contractors who contribute specialised services to the Company.

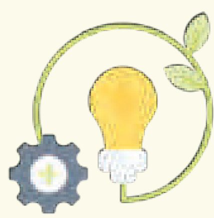
WATER MANAGEMENT

- 126 Lt/ton Cem prod.
- 186 Lt/ton Cem prod (2022).

BIODIVERSITY IMPACTS

- Increased tree planting with 62% contribution to the ecological enrichment of host communities, enhancing biodiversity, and reclaimed 11.2mmt of land, representing a 79% increase from the previous year.
- 6.3 mmt (2022)

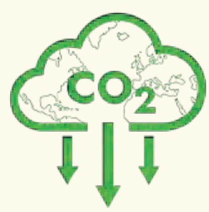
ENERGY MANAGEMENT



- 766 kcal/kg cli
- 771 kcal/kg cli (2022)

GREENHOUSE GAS EMISSIONS (GHG)

- 650 kg C0^{2}/t Cem Prod.
- 644 kg C0^{2}/t Cem Prod. (2022)



[1]Water, Sanitation and Hygiene

Value Creation

Production

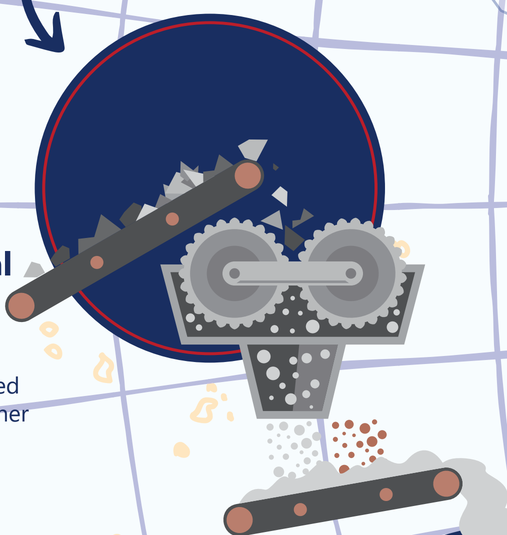
Quarry

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

GDP - ₦234.4 Trillion
Population - 223.8 Million
Urban Population - 54.3% (2050:70%)
Urban Growth Rate - 3.92% (2050:2.75%)
Infrastructure Deficit - $3 Trillion
Housing Deficit - 28 Million Housing Units

Raw material Grinding

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

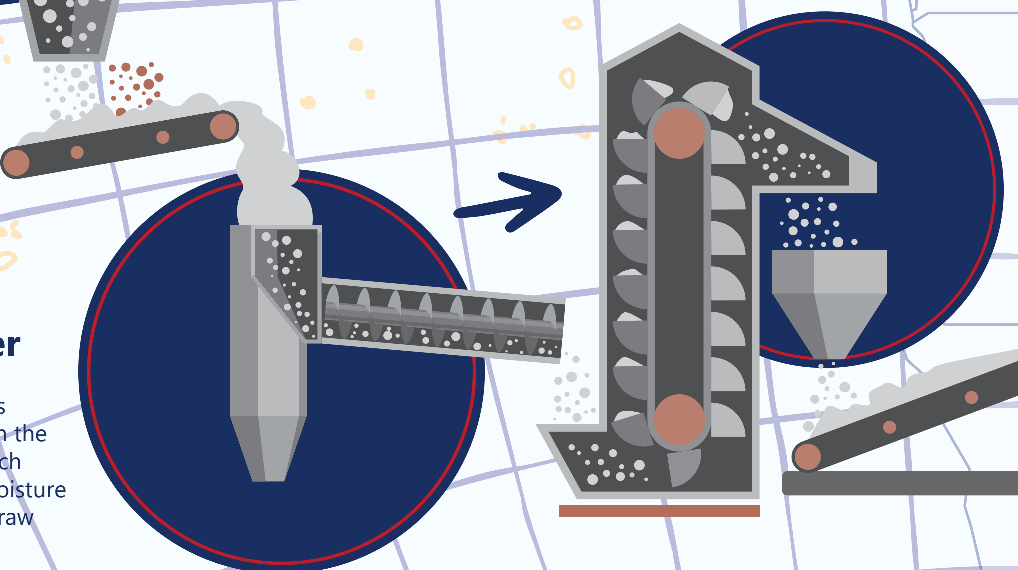


Kiln

With tempratures at 1450^{0}C, the raw meal goes through the kiln, binding all the materials together to produce clinker.

Preheater

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



6 Modern Intergrated Plants Constructed in the last 9 Years

Over 8000 Jobs created

Over ₦4bn Spent on Community Development (CSR)

Consumers

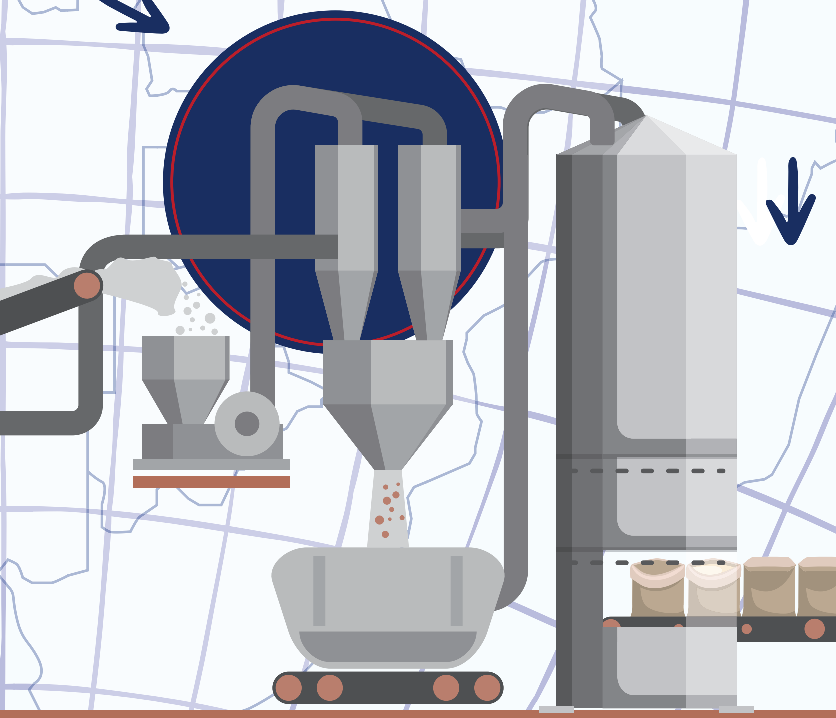
Distributors and Retailers

Distribution

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

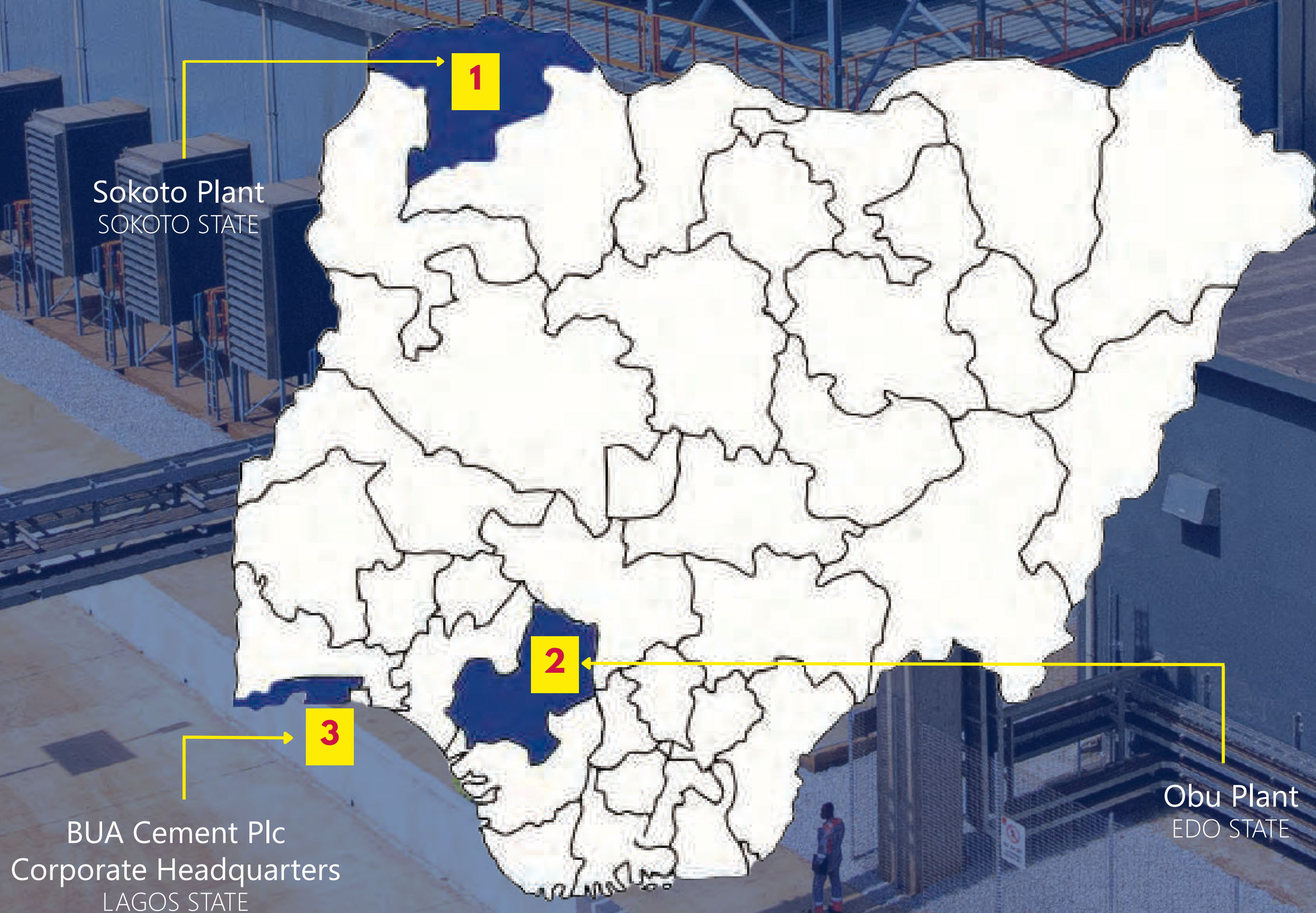
Cement grinding

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



Bagging & Trucking

Our Locations



Chairman's Statement

> Our corporate purpose is founded upon the pillars of customer focus, innovation, continued improvement, and economic development. These precepts, over the years, have and continue to serve as "guiding lights" towards an enduring institution that not only thrives but also drives collective prosperity.

Welcome

Dear Esteemed Shareholders,

I am delighted to welcome you to the 8th Annual General Meeting of your Company and to present to you the Annual Report and Accounts for the financial year ended 31 December 2023.

Before I proceed, I want to express my deepest appreciation to you all for your continued and unwavering loyalty and commitment to our Company. Your support has been pivotal to the success of the Company through the years. Indeed, 2023 was challenging in many respects, with significant global as well as domestic economic and political developments that impacted our business in various ways. However, our Company responded well, continuously adapting our strategies to the changing business landscape to leverage available opportunities and manage risks, while creating value for all our stakeholders.

As you are aware, our corporate purpose is founded upon the pillars of customer focus, innovation, continued improvement, and economic development. These precepts, over the years have and continue to serve as "guiding lights" towards an enduring institution that not only thrives but also drives collective prosperity. Furthermore, they have played an integral role in shaping our actions, guiding every inch of our quest to enrich the lives of Nigerians and other Africans with an unwavering resolve.

Chairman's Statement (Cont.)

The Year 2023 in Review

Operating Environment

Global growth declined to 3.2% in 2023 from 3.5% recorded in 2022, as reported by the International Monetary Fund (IMF). Conversely, global inflation peaked at 6.8% in 2023 (2022: 8.7%), resulting from improvements in supply-side expansion, coupled with actions by the US Federal Reserve, European Central Bank and the Bank of England, all of which embarked on monetary policy tightening. The move by these monetary authorities to embrace a hawkish stance to rein in inflation and attain price stability was met with substantial capital outflow from low and middle-income countries, amid liquidity concerns and rising borrowing costs, leading to a strengthened U.S Dollar.

Across Sub-Saharan Africa, economic growth declined to 3.3% relative to the 4.0% recorded in 2022 driven majorly by global slowdown, weather shocks and supply-side issues.

In Nigeria, the operating environment was generally challenging owing to several factors, predominantly the currency redesign, electioneering activities, subsidy removal, and the devaluation of the Naira - with the effect of the last two factors on disposable income and discretionary spending. GDP growth as reported by the National Bureau of Statistics declined to 2.7% relative from 3.1% in 2022. In addition, headline inflation surged by 7.6% points to 28.9% from 21.3% recorded in the preceding year.

Business Performance and Dividend

Despite the increasingly challenging macroeconomic conditions, we recorded a 27.4% growth in net revenue to ₦460 billion from ₦361 billion reported in 2022. Also, our capacity utilisation improved to 61.2% in 2023 from 59.8% in 2022, due to an increase in cement volumes dispatched, and which also resulted in an increase in market share. Furthermore, EBITDA rose to ₦169 billion from ₦155 billion recorded in the prior year, though profit after tax declined by 31.2% to ₦70 billion from ₦101 billion recorded in the corresponding period ended 2022, impacted by foreign exchange losses, which arose from the devaluation and the continued depreciation of the Naira.

Despite the reduction in our bottom line, our unwavering commitment to shareholder value, together with the strength and confidence in the business and its outlook inspired the Board to recommend a dividend of ₦2 per share for the year ended 31 December 2023. If approved, the dividend will be distributed to shareholders whose names appear in the register of members at the close of business on 9 August 2024.

Board Changes

During the year under review, the Board, on the recommendation of the Governance, Establishment and Remuneration Committee, appointed Ms Ganiat Adetutu Siyonbola as an Independent Non-Executive Director with effect from 25 October 2023. This appointment was made to foster gender diversity and balance the lesser proportion of women to men on the Board, thereby promoting the representation and advancement of women in leadership on the Board.

Governance and Strategy

During the year under review, we progressed the construction at Obu and Sokoto Plants and captured new markets by increasing market penetration, resulting in an increase in market share. We completed the payment integration project with all Nigerian banks, leading to improvement in our payment processes and timeliness of payment confirmation. We also launched the maiden edition of the BUA Cement "Scratch and Win" promo as a reward to customers, with the winners going home with exciting prizes and cold-commissioned the new 3 million metric tons per annum plant at Sokoto (Sokoto line 5). Furthermore, we activated a 70 megawatt gas power plant in Sokoto, coming on the heels of a similar 50-megawatt gas power plant commissioned in 2021, and took delivery of additional trucks to ease supply constraints of cement across the country. It is worthy to note that the new 3 million metric tons plant at Obu (Obu line 3), along with a 70-megawatt gas power plant would be commissioned in the second quarter of 2024.

Our Enterprise-wide risk management framework remains strong and robust, enabling us to deliver results amidst prevailing economic uncertainties & volatile operating environment, and maintain peaceful relations within our operating communities. The implementation of this framework is steered by the members of the Management's Risk Committee, sufficiently geared to identify the risk elements inherent and resulting from our business activities, and responsible for ensuring the alignment of our medium and long-term strategies with acceptable risk appetites, as well as ensuring risks are given appropriate consideration.

Chairman's Statement (Cont.)

During the year, we faced various risks ranging from energy supply risk, which we mitigated through the continuous onboarding of additional marketers, thereby broadening our supply base, to supply chain risk, which was mitigated through the creation of the Department of Strategic Supplies to harmonise and strengthen the supply chain with our partners.

Leadership development and learning continue to form an integral part of our corporate culture, enabling us to equip our leadership with relevant skills needed to achieve our corporate objectives amidst our rapidly evolving business landscape. The adoption of such culture has further enabled us to foster a collaborative and inclusive environment where every employee is valued and given the opportunity to grow.

Sustainability Initiatives

During the year, we maintained our drive towards protecting the environment, the safety of our staff and our community. We deepened our understanding of our environmental impact and continued to systematically assess the risks and opportunities presented to our business especially in the wake of climate change.

We are addressing the critical issue of waste management across our operations through the enhancement of internal waste reuse practices. This strategy not only diverts waste from landfills and open burning but also represents a step towards managing the broader waste challenges in Africa.

Our Corporate Social Responsibility initiatives are targeted at education, infrastructure, Water, Sanitation, and Hygiene (WASH), healthcare, and our empowerment initiatives are tailored to address the essential needs of the communities where we operate. Beyond empowering our local communities, these efforts also promote inclusive economic growth, mirroring our pledge to UN SDGs 3, 4, 6, 7, and 9.

Outlook

The IMF projects global growth to remain steady at 3.2% (2022: 3.5%). Though still historically low, recovery is expected to remain steady. However, geopolitical tensions and geoeconomic fragmentation, among others, pose downside risks. Headline inflation is expected to fall from 6.8% in 2023 to 5.9% in 2024, reflecting easing supply chain frictions and decreasing energy shocks.

In the meantime, Sub-Saharan Africa growth is projected to be at 3.8% in 2024 from 3.4% recorded in 2023. In Nigeria, the IMF anticipates growth to strengthen to 3.3% in 2024 (2023: 2.9%) driven by increased activities in the trade and services.

With cement consumption per capita at c.125kg in Nigeria (SSA: 150kg) relative to the global average of 500kg, we foresee structurally high demand-driven markets for cement products. The cement consumption outlook for Nigeria is expected to be positive stemming from the current administration's focus on infrastructure development and construction projects, in a bid to address infrastructure and housing deficits. We anticipate that this will drive cement demand within the Country.

As a corporate, we will continue to implement and pursue our strategic goals of expansion and increasing market share, as well as explore solutions that will enable us to sustain value creation for our shareholders and other stakeholders.

Conclusion

I would like to take this opportunity to thank all the members of the Board, Management, and staff of BUA Cement Plc for your unwavering commitment and sacrifice towards the success of our Company. To our shareholders, regulators, customers, suppliers, thank you for your continued support even as we look forward to building on our 2023 achievements in the year ahead.

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

5 May 2024

Interview with the Managing Director / Chief Executive Officer

> In the past year, BUA Cement demonstrated commitment to sustainability and environmental stewardship by instituting an Environmental and Social Management System (ESMS). This endeavour signifies our unwavering commitment to harmonising our operational practices with both local and global Environmental and Social Sustainability Standards (including the IFC Performance Standards)

Operating Environment

Question: The 2023 business environment was a challenging one for the entire economy. What were the major headwinds confronted by BUA Cement during the year?

Answer: The major challenges faced during the year arose from the CBN's currency redesign policy, the elections and more importantly, foreign exchange volatility. Like every manufacturing business, some of our manufacturing inputs are dollar-dominated, and with the devaluation and continued depreciation of the Naira, we recorded rising energy and other raw materials costs. In addition, the depreciation of the Naira led to the revaluation of existing liabilities on the balance sheet which resulted in an exchange loss of ₦70 billion. Still, we were able to manage this negative shock, declare a profit and most importantly, preserve our shareholders' fund.

Question: There were discussions in the media of cement companies not doing enough to reduce cement prices, how would you respond to this?

Answer: I think it is a bit unfair to say cement companies or let me be specific to say, BUA Cement is not doing enough to reduce prices. Last year amid the devaluation of the currency and its effect on production costs, we reduced our ex-factory price to ₦3,500 per bag, with the hope of alleviating some of the price pressures faced by users of cement. However, this did not have the intended effect because of the activities of the middlemen, who maintained the end-user price of cement at then existing levels.

In addition, we are commissioning new cement plants, with the intent of increasing the availability of our cement brand. This will increase the overall cement capacity and ensure there are enough volumes available during the peak season.

Operational Performance

Question: What were the Company's key operational achievements in 2023?

Answer: Amidst the various economic headwinds confronted with, we achieved a 7.3% increase in dispatch volumes to 6.7 million metric tons per annum from 6.3 million metric tons per annum in 2022, and in the process grew our market share to 24% from 21% during the prior year.

Interview with the Managing Director / Chief Executive Officer (Cont.)

Furthermore, we commissioned the 70 megawatt gas power plant in Sokoto, coming on the heels of a similar 50 megawatt gas power plant commissioned in 2021 in the same location, and hot-commissioned the Sokoto line V, with a capacity of 3mmtpa. Additionally, the Obu line III (also a 3 mmtpa) plant underwent cold-commissioning and is expected to be hot-commissioned by the second quarter of 2024, along with the 70 megawatt power plant.

Question: How will the commencement of the new plants impact your performance in the coming periods?

Answer: First, the new lines at Obu and Sokoto will lead to additional volumes of cement being made available to domestic consumers. Second, it would further drive economies of scale and improve our contribution, and third, it will lead to additional volumes available for export. Overall, we see the increase in operational size resulting in increased profitability.

Question: What was your capacity utilisation for 2023?

Answer: Our capacity utilisation was 61.2% relative to 59.8% recorded in 2022, arising from increased volume sales achieved during the period. This achievement was the result of three critical factors, the first being product quality, the second being our competitive strategy, and third being increased market penetration due to additional volumes from Line IV at Sokoto.

Question: Are there expansion plans going into 2024 other than the 6 million metric tons plants just commissioned?

Answer: Yes, we have signed a contract for the construction of a greenfield cement plant in Ososo, Edo State with a capacity of 3 mmtpa. This is expected to be completed in the next 22 months.

Financial Performance

Question: In 2023, long-term debt borrowing rose by 5.6x to ₦295 billion. What gave rise to this, how is this reflected in your performance?

Answer: Our long-term debt borrowing in 2023 increased following a loan we drew down on with the International Finance Corporation (IFC). The loan is to finance the expansion projects at the Sokoto Plant, which include: the new cement plants, the installation of additional power plant, the expansion of our quarry sites, the addition of new distribution trucks, the installation of infrastructure and the purchase of equipment. Furthermore, part of the loan amount will support our working capital needs and aid the construction of a 10 megawatt solar power plant.

Already, we have started recording some of the early gains from this investment in terms of added output capacity, together with an improvement in financial performance.

Sustainability

Question: What progress did the Company make in relation to the implementation of clean energy transition efforts in its business operations?

Answer: With respect to our energy usage, gas remains the dominant energy source. Our factory in Obu uses gas for power generation and in the kiln. In Sokoto, our power plant operates entirely on LNG.

Studies are ongoing towards the introduction of alternative fuels, particularly biomass, with a view to partially substitute some of the traditional fuels used in the cement production process.

Question: What other sustainability measures were adopted during the year to further demonstrate BUA Cement's commitment to sustainability?

Answer: In the past year, BUA Cement demonstrated commitment to sustainability and environmental stewardship by instituting an Environmental and Social Management System (ESMS). This endeavour signifies our unwavering commitment to harmonising our operational practices with both local and global Environmental and Social Sustainability Standards (including the IFC Performance Standards). The ESMS initiative is emblematic of our forward-thinking ethos, embedding international best practices within the core of our sustainability pursuits. Furthermore, the ESMS is pivotal to our sustainability architecture, offering a systematic approach for the adaptive management of our environmental, occupational health and safety (OHS), labour, and social risks, impacts and opportunities. Adhering to national and international benchmarks, the system forms the basis for the continuous improvement of our sustainability performance.

In our usual practice, we invested in our communities and its people, and also created 177 jobs within our host communities, reinforcing our commitment to the United Nations Sustainable Development Goals. On

Interview with the Managing Director / Chief Executive Officer (Cont.)

the environment, we also made appreciable gains. For example, we planted more trees, reduced landfill waste, reclaimed more land, reduced our energy, intensity etc. You can read more about our activities under the sustainability section of this report.

Question: What efforts were made toward strengthening stakeholder engagement during the year?

Answer: The year saw us put in place a comprehensive Community Development Agreement (CDA), which is an improvement of all existing Memorandum of Understandings (MOUs) we had with host communities. By so doing, we strengthened our relationship with the host communities and government agencies, who were also consulted in the development of the agreement. Furthermore, we increased the number of proactive engagements with community members, including women, youths and the vulnerable members of the communities. In addition to the CDA, we have developed a Livelihood Restoration Plan (LRP) with a budget of over ₦1 billion over a 5-year period. The LRP is another opportunity to deepen our relationship with our host communities and strengthen our long-standing social licence to operate.

Finally, we responded to all concerns raised during the year through the grievance mechanism in place.

Strategy

Question: What is your export strategy especially given your output capacity is expected at 17 mmtpa next year?

Answer: Well, the domestic market remains an important priority for us, and given we only export excess cement stock, the increase in capacity output will give us the opportunity to export added volumes. Specifically, we would be looking at possibly resuming our exports to Niger Republic, now that the borders have been reopened and re-engaging with our distributors there. We would also be looking at the markets in Burkina Faso, Chad, Cameroon and the Republic of Benin.

Question: What are the Company's plans to reduce costs in the coming year to sustain profitability while delivering on its growth strategies?

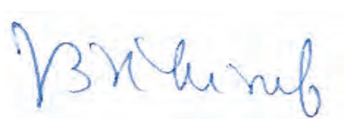
Answer: So, some of the ways we are looking at cutting cost is by reconfiguring our distribution trucks, such that they are able to use compressed natural gas (CNG). As you know, CNG is much cheaper than diesel. Also, we will revisit the contract agreements with our vendors to negotiate better terms and vary the energy mix at the plants for cost efficient alternatives. In addition, we would conduct market segmentation of our customers so that we are able to cater to their demands efficiently.

Outlook

Question: What is your outlook on the price as well as demand for cement in 2024?

Answer: This is a really interesting question. I am unable to provide specifics on the price of cement in 2024 because the Naira has been volatile. Last year, the currency moved from c. ₦460/$ to ₦906/$ and given a number of our input materials are foreign currency based, it meant an increase in production costs.

In terms of market demand, we anticipate high demand for cement, on the back of policy initiatives and efforts by governments at the national and sub-national levels towards bridging the social and economic infrastructure gap, alongside discussions about the use of cement to construct roads. Furthermore, there are private sector demand considerations, given the housing deficit especially with the rising urbanisation rate across the country. Overall, our pricing will continue to remain competitive, ensuring the ready availability of our cement brands to all Nigerians.



Yusuf Binji
Managing Director/Chief Executive Officer
BUA Cement Plc

5 May 2024

Sustainability

Sustainability

Approach to Sustainability

BUA Cement Plc is committed to redefining the role of sustainability in its business, not merely as a supporting pillar but as the very bedrock of our enterprise. We understand that the prosperity of our business is intrinsically linked to the well-being of the environment and the communities where we operate. We meticulously integrate social responsibility and environmental stewardship into every facet of our operations. Our dedication propels us to go beyond the minimum, driving us to discover and implement innovative solutions that benefit both people and the planet.

Our vision for resilience and positive environmental impact is inspired by the majestic Mangrove forests of Africa's coastlines. These intricate ecosystems flourish under adverse conditions, providing protection against natural calamities, while nurturing a rich diversity of life. Emulating the Mangrove's robustness, BUA Cement strives to fortify its resilience and foster a beneficial influence on the environment.

We firmly believe that the cornerstone of a sustainable future lies in the empowerment of robust communities. Our investments in education, infrastructure, water, sanitation, hygiene (WASH), healthcare, and empowerment initiatives are tailored to address the essential needs of the communities we are privileged to call our neighbours. These efforts not only empower our local communities but also catalyze inclusive economic growth, mirroring our pledge to SDGs 3, 4, 6, 7, and 9.

We are dedicated to addressing the critical issue of waste management across our operations. Embracing the principle that effective change begins within, we actively engage in reducing our waste impact through the enhancement of internal waste reuse practices. This strategy not only diverts waste from landfills and open burning but also represents a step towards managing the broader waste challenges in Africa. Our innovative R^2 approach, focusing on waste reuse and resale, champions the principles of circular economy by repurposing waste materials for alternative fuel sources and other applications. Concurrently, we are investing in nature-based solutions to combat climate change. This aligns with SDG 12 (Responsible Consumption and Production) and demonstrates our ongoing endeavour to reduce our environmental footprint.

Acknowledging the pivotal importance of clean energy and innovative technology in shaping a sustainable future, we recognize the challenges faced in Africa. Despite these challenges, we prioritize low carbon fuels such as liquified natural gas (LNG) and natural gas (NG) as the primary energy sources for our operations. Concurrently, we are vigorously pursuing and adopting cleaner energy practices within our operational framework. This commitment is in harmony with SDG 7 (Affordable and Clean Energy), underscoring our unwavering dedication to continual enhancement and ecological responsibility.

1.1 Strengthening Approach with ESMS Development

In the past year, BUA Cement demonstrated commitment to sustainability and environmental stewardship by instituting an Environmental and Social Management System (ESMS). This endeavor signifies our unwavering commitment to harmonizing our operational practices with both local and global environmental and social sustainability standards. The ESMS initiative is emblematic of our forward-thinking ethos, embedding international best practices within the core of our sustainability pursuits.

The ESMS is pivotal to our sustainability architecture, offering a systematic approach for the adaptive management of our environmental, occupational health and safety (OHS), labor, and social risks, impacts and opportunities. Adhering to national and international benchmarks, the system forms the basis for the continuous improvement of our sustainability performance.

Progress Overview:

In the reporting period of 2023, significant strides have been made in the ESMS development:

- Engagement of expert consultants for comprehensive audits in key areas: occupational health and safety, water management, noise control, and road safety.
- Creation of 39 detailed management plans informed by audit findings and stakeholder input, encapsulating the ESMS's strategic direction.
- Initiation of a meticulous review process for these documents, spearheaded by a cross functional team (CFT), to refine and enhance the ESMS framework.

With the foundational elements of the ESMS established, BUA Cement is poised to commence full-scale implementation in 2024. This forward momentum is indicative of the Company's unwavering resolve to not only manage but also mitigate environmental and social impacts, thereby contributing positively to global sustainability goals.

A. Environment

1. Greenhouse Gas (GHG) Emissions

BUA Cement remains steadfast in its commitment to transparent and consistent environmental reporting, adhering to the highest standards in the industry. In our annual sustainability disclosure, we have utilized the Global Cement and Concrete Association's (GCCA) "Getting the Numbers Right" (GNR) protocol, version 3.2, to meticulously monitor and report our emissions and energy consumption. The GNR protocol is internationally recognized for its robust methodology in quantifying energy and emissions within cement production. Specifically, we have implemented the Output method (B1), also known as the Simple Output Method, to accurately estimate emissions and energy usage during our pyro-processing operations. This method is particularly advantageous when industry-specific factors are not available or are deemed unreliable, allowing us to rely on globally established industrial factors.

GHG - Absolute and Net Emission	2023	2022
Absolute Gross Scope 1 Emission including Emission from PG[1] [million metric tonnes CO^2]	5.10	4.59
Absolute Gross Scope 1 Emission [million metric tonnes CO^2]	4.69	4.24
Absolute Net Scope 1 Emission [million metric tonnes CO^2]	4.69	4.24
Percentage covered under emissions-limiting regulations [%]	-	-
Emission from PG[1] [million metric tonnes CO^2]	0.41	0.35
Absolute Gross Scope 2 Emission [million metric tonnes CO^2]	0.0017	0.0016
GHG - Specific Absolute and Net Emission	**2023**	**2022**
Specific Gross Scope 1 Emission [kg CO^2/t cem prod]	650	644
Specific Net Scope 1 Emission [kg CO^2/t cem prod]	650	644
Specific Gross Scope 2 Emission [kg CO^2/t cem prod]	0.23	0.24

[1]PG – Separate Onsite Power Generation

For the year 2023, our Absolute Gross Scope 1 emissions, which encompass direct emissions from both our pyro-processing activities and our separate onsite power generation plant (PG), reached 5.10 million metric tonnes of CO^2. Additionally, our Scope 1 emissions, excluding PG, were recorded at 4.69 million metric tonnes of CO^2. These figures represent an 11% increase compared to the previous year's estimates of 4.59 and 4.24 million metric tonnes of CO^2, respectively. Despite this increase, it is important to note that there was a significant 47% reduction from the increase reported in the prior reporting period. This year's increase can be attributed to a 9% rise in production, driven by the expansion of our production line, the acquisition of additional onsite vehicles to support production needs, and the heightened demand for our products across various markets.

Our Absolute Net Scope 1 emissions, defined according to the protocol as total direct emissions excluding emission from PG minus alternative fossil fuels, showed no substantial difference from the gross emissions. This outcome primarily resulted from our strategic reliance on low-carbon fuels, such as LNG and NG, and efficient clinker-to-cement ratio, which are central to our decarbonization efforts. We have also initiated investments in additional decarbonization initiatives, slated to commence in 2024, to further our environmental objectives.

Our emissions intensity, indicating the CO^2 emissions per tonne of cementitious product, was recorded at 650 kg CO^2/t cem prod. This represents a marginal increase of 1% from the previous year's figure of 644 kg CO^2/t cem prod. Our Scope 2 emissions, indirect emissions resulting from purchased electricity, increased to 1,650 tonnes CO^2 up from 1,599 tonnes CO^2 in 2022, marking a 3% rise. This increment underscores our concerted efforts towards centralizing emission and energy management. Within the Nigerian context, our operations are not currently governed by regulations specifically targeting greenhouse gas emissions.

Recognizing the critical global imperative to address climate change, BUA Cement is working to institutionalise a GHG Emissions Plan, which encompasses reduction strategies for achieving our net-zero ambitions across short, medium, and longterm horizons. These measures are designed to augment our organic growth strategies, which include enhancing energy efficiency, expanding the use of alternative fuels and raw materials, and optimizing our clinker-to-cement ratio. We remain dedicated to transparently reporting our GHG emissions, demonstrating our unwavering commitment to sustainable development and environmental responsibility.

A. Environment (Cont.)

Climate Mitigation Initiatives

Throughout the reporting period, BUA Cement has rigorously investigated the integration of biomass and other waste materials as alternative fuels (AF) in substitution for traditional fuels within our pyroprocess. Our comprehensive feasibility studies spanned across technical, environmental, social, and economic considerations to ensure a holistic understanding of our market environment and to secure a reliable supply chain.

Our pilot initiatives have involved experimenting with various AF blends, assessing their compatibility with conventional fuels, and evaluating the efficacy of these combinations in supporting a seamless transition to sustainable energy sources. We acknowledge the challenges in sourcing high-quality AF, as evidenced by our historical use of rice husk, which highlighted issues related to availability and supply consistency. However, these insights have been instrumental in guiding our exploration of diverse waste streams for Total Substitution Rate (TSR) optimization.

To this end, we have embarked on extensive field research, surveying over 40 potential suppliers, ranging from large-scale providers to local enterprises. This has enabled us to gain a deeper understanding of the waste materials' availability, quality, and economic viability, as well as to identify the logistical challenges and opportunities associated with their procurement and transportation to our facilities. The findings from this survey have not only identified viable sources for AF but have also shed light on the inherent challenges and opportunities present in this domain.

Figure 1 - 4: Establishing AF Supply chain

The environmental and social implications of our AF initiatives are profound. By adopting these alternative fuels, we are contributing to the reduction of greenhouse gas emissions and the diversion of waste from landfills. Moreover, our efforts are fostering economic growth and generating employment opportunities for local suppliers and communities, thereby enhancing their livelihoods. Additionally, these practices bolster our energy security and fortify our operational resilience, thereby aligning with our overarching goal of sustainable development and environmental responsibility.

A. Environment (Cont.)

2. Energy Management

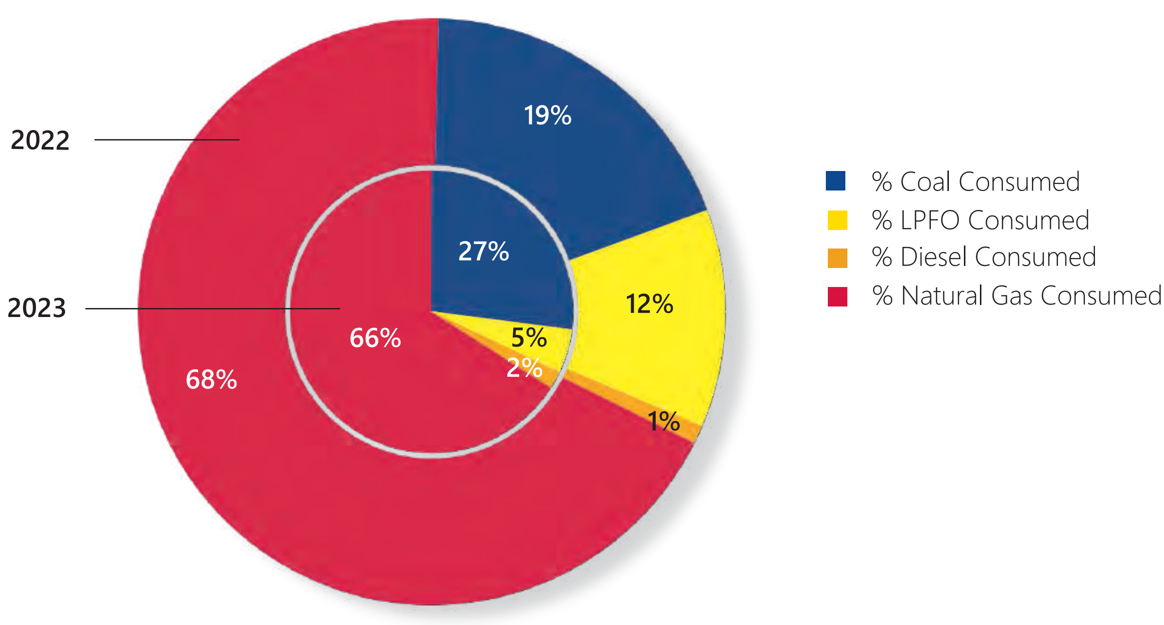
The production of cement is a highly energy-intensive process, with a significant portion of costs attributed to energy consumption. In the face of this inherent challenge, BUA Cement is dedicated to enhancing energy efficiency, endeavoring to maximize output while minimizing energy use, despite the inherent limitations in reducing energy consumption outright. Our energy performance metrics, calculated using the GCCA GNR tool, reflect our ongoing efforts on improved energy practices.

Energy Management - Absolute Consumption	2023	2022
Total Energy Consumption - Cement Plant [TJ]	26,984	24,319
Total Energy Consumption - Kiln [TJ]	19,452	17,848
Energy Management - Percentage Consumption by Source	**2023**	**2022**
% Coal Consumed	27%	19%
% LPFO Consumed	5%	12%
% Diesel Consumed	2%	1%
% Natural Gas Consumed	66%	67%
% Waste Oil Consumed	0%	0%
% Grid Electricity Consumed	0.1%	0.1%
% Renewable	0%	0%
Energy Management - Specific Consumption	**2023**	**2022**
SHC of Clinker Production [MJ/t Cli]	3,206	3,224

Notably, our total energy usage experienced an increase of 11% for the cement plant and 9% for the kiln from 24,319 TJ in 2022 to 26,984 TJ in 2023, and from 17,848 TJ to 19,452 TJ respectively, primarily due to an uptick in production volumes.

In our pursuit of energy optimisation, we have successfully reduced our energy intensity, which measures the energy required to produce one tonne of cementitious product, by 1% from 3,224 MJ/t cli (771 kcal/kg cli) in 2022 to 3,206 MJ/t cli (766 kcal/kg cli) in 2023. This achievement underscores our unwavering dedication to environmental stewardship and our strategic approach to energy management within our production value chain.

Figure 5: Consumption by Source (%).



A. Environment (Cont.)

Low carbon fuels continue to be the cornerstone of our energy strategy, accounting for approximately 66% of our total energy consumption during the reporting period. Despite a supply shortfall leading to a 3% reduction from the previous year (chart 5), these fuels remain our primary energy source. Following in hierarchy are coal, low-pour fuel oil (LPFO), and diesel.

3. Air Quality

BUA Cement is committed to environmental stewardship and transparency in our operations, as evidenced by our adherence to the GCCA guidelines. This section outlines our air quality performance metrics for the

BUA Cement recognizes the substantial opportunities and advantages that come with enhancing our energy performance. We are actively pursuing a range of initiatives aimed at reaching our energy efficiency goals. Our ESMS includes comprehensive Resource and Energy Efficiency strategies to guide our efforts in this critical area.

2023 reporting period, detailing our Group 1 emissions: particulate matter (PM), sulfur oxides (SOx), and nitrogen oxides (NOx). Our emissions are meticulously quantified in both specific terms (grams per tonne of clinker) and absolute figures (metric tons), in alignment with the GCCA Sustainability Framework.

Air Quality - Absolute Group 1 Emission	2023	2022
PM [tonnes]	144	85
SOx [tonnes]	71	286
NOx [tonnes]	5,754	5,779
Air Quality - Specific Group 1 Emission	**2023**	**2022**
PM [g/ tonne Cli]	42	25
SOx [g/ tonne Cli]	21	85
NOx [g/ tonne Cli]	1,698	1,713
Air Quality - Group 1 Emission Coverage Rate	**2023**	**2022**
Overall coverage rate [%]	56%	61%

During the year 2023, our environmental performance data revealed a mixed trajectory. We achieved a substantial reduction in SOx emissions, which plummeted from 286 tonnes in the previous year to 71 tonnes, marking a commendable 75% decrease. Meanwhile, NOx emissions witnessed a marginal decline from 5,779 tonnes to 5,754 tonnes, reflecting a trend towards stabilization within this category. On the other hand, PM emissions experienced an uptick from 85 tonnes to 144 tonnes, a change primarily attributed to increased production activity.

A closer examination of our specific emission rates per tonne of clinker produced presents the impact of this emissions in relation to our output. PM emissions rose from 25 g/tonne to 42 g/tonne, signaling areas where further enhancements are necessary. In contrast, SOx emissions saw a dramatic fall from 85 g/tonne to 21 g/tonne, while NOx emissions experienced a slight decrease from 1,713 g/tonne to 1,698 g/tonne. Our continuous monitoring coverage rate for clinker production stands at 58%, ensuring a significant portion of our operations is assessed for emissions.

The average concentration levels of PM in our emissions were recorded at 17 mg/Nm^3, well below the industry benchmark of 50 mg/Nm^3, demonstrating the effectiveness of our control measures. The concentration levels for NOx and SOx were 734 mg/Nm^3 and 9 mg/Nm^3, respectively.

These figures underscore our progress in certain domains while highlighting the ongoing challenges in others. Meanwhile, we are institutionalising a robust Air Quality Management Plan as part of ESMS. This plan is pivotal in steering our endeavours to mitigate air pollution. Also, a critical component of our ESAP is the full-scale implementation of a Continuous Emission Monitoring System (CEMS). This system is instrumental in providing real-time data, facilitating prompt and effective management decisions.

Our resolve to diminish our environmental impact and enhance air quality remains unwavering. Through our sustained efforts and transparent communication, we aim to not only comply with but exceed environmental standards, thereby contributing positively to the global sustainability agenda. Our journey towards environmental excellence is ongoing, and we are resolute in our pursuit of innovative solutions to foster cleaner air for all.

A. Environment (Cont.)

4. Water Management

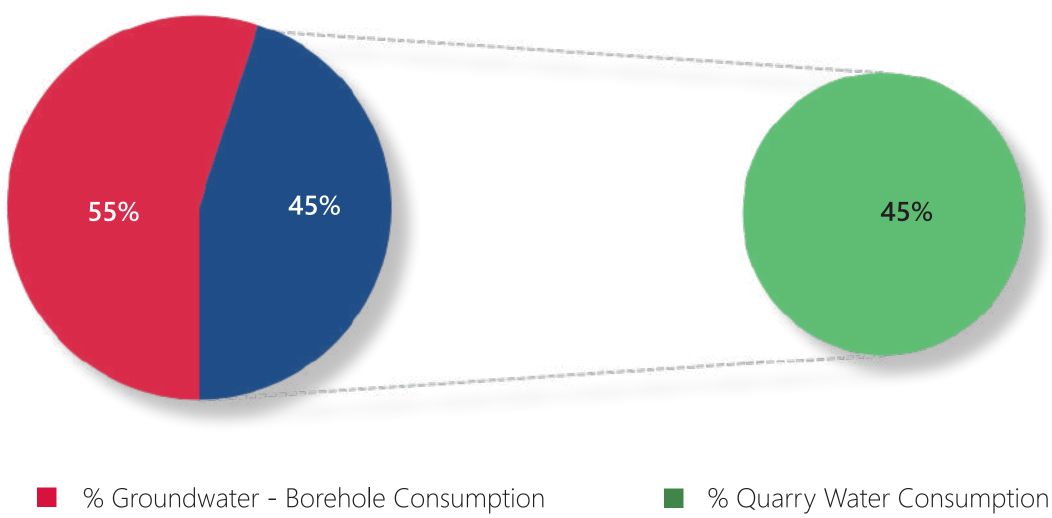
Throughout 2023, BUA Cement has steadfastly upheld sustainable water management as a cornerstone of our environmental stewardship. Our comprehensive strategy ensured the total water withdrawal and consumption was maintained at 0.91 million cubic meters, mirroring our dedication to consistent resource management.

Water Management	2023	2022
Total water withdrawn (million cubic metres)	0.91	0.75
Total water consumed (million cubic metres)	0.91	0.75
% Groundwater - Borehole Consumption	55%	14%
% Quarry Water Consumption	45%	86%
% Water Recycled	3%	3%
Specific Water Consumption [ltrs/ tonne cem prod]	126	186

A pivotal shift was observed in our water sourcing: groundwater extraction via boreholes surged to 55% of our total usage, up from the previous year's 14%. This change is attributed to heightened water accountability measures implemented across our operations, which predominantly utilize groundwater.

In a progressive move, our operations have expanded the implementation of quarry dewatering techniques, repurposing an exhausted quarry pit into a reservoir for collecting rainwater and dewatering output. This innovative approach not only diminishes our dependence on freshwater sources but also aligns with the industry's best practices for environmental sustainability. Consequently, the reliance on quarry water has decreased to 45%, down from the prior year's 86%.

Figure 6: Water Consumption (%).



We take pride in the full-scale monitoring of water consumption across all production activities in 2023, maintaining a stable water recycling rate of 3%. This consistency underscores our unwavering commitment to water conservation and recycling, integral to our environmental strategy. Moreover, we achieved a significant milestone in water efficiency, our specific water consumption saw a remarkable 32% reduction, from 186 liters per tonne of cementitious products in 2022 to 126 liters in 2023. This substantial decrease is indicative of our successful enhancement of water use efficiency and our ongoing efforts to minimize our environmental footprint.

A. Environment (Cont.)

Our data for 2023 reflects BUA Cement's dynamic and forward-thinking approach to water resource management, which would be further solidified by the integration of our robust Water Management Plan as part of our ESMS. With the institution of such robust framework, we are actively pursuing ambitious objectives to elevate our water performance metrics. Initiatives such as enhancing our water recycling practices and optimising quarry water usage are pivotal in our strategy to curtail reliance on freshwater sources. Through these concerted efforts in optimizing water consumption and sourcing, BUA Cement not only fortifies the sustainability of its operations but also makes a meaningful contribution to the preservation of essential water reserves. Our performance in this domain is reflective of our dedication to ecological conservation and positions us as a conscientious leader within the cement industry in Africa.

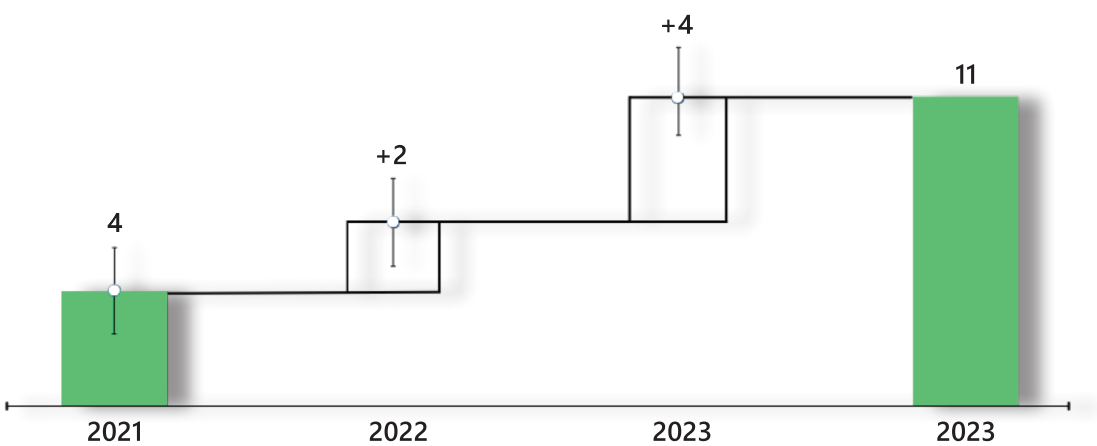
5. Biodiversity Impacts

As an industry player that values the conservation and enhancement of biodiversity and ecosystems in our operations, BUA Cement has demonstrated a commendable commitment to biodiversity impact management in the year 2023. Our efforts in quarry land reclamation have seen a significant increase, with a reported 11.19 million metric tons of land reclaimed in 2023, nearly doubling the 6.26 million metric tons from the previous year. This substantial improvement reflects our dedication to restoring ecosystems and mitigating the environmental impacts of our operations.

Biodiversity Impact	2023	2022
Quarry Land Reclamation [million metric tons]	11.19	6.26
Planted Trees	410	-
% Planted Trees within Host Communities	62%	-

Our innovative approach to land reclamation incorporates the use of native soil, which not only reinstates vegetation and wildlife habitats but also enhances soil quality and promotes carbon sequestration. The process involves repurposing overburden to fill quarries, thereby sculpting new landscapes that bolster biodiversity and benefit local communities, simultaneously diminishing environmental footprints and yielding cost savings.

Figure 7: Quarry Land Reclamation (million metrics tonnes)



The 'green' initiatives of BUA Cement are further highlighted by the planting of 410 trees within the reporting period, a testament to our commitment to carbon sequestration and the preservation of indigenous flora and fauna. The absence of data from 2022 for comparison suggests a pioneering shift in our sustainability strategy, reflecting a deeper engagement with eco-friendly practices.

Our dedication to fostering inclusive environmental practices and prioritising the welfare of our host communities is evident, with 62% of the newly planted trees taking root in these areas. This initiative not only enriches the local ecosystem but also reinforces our support for community development, ensuring that our environmental efforts extend beyond our operational boundaries to create a positive, lasting impact. In addition, the provision of

A. Environment (Cont.)

local support to guarantee the survival of these trees is a testament to our holistic approach to environmental and community wellbeing.

The year 2023 stands out as a pivotal period for BUA Cement, with substantial progress in land reclamation and the launch of tree planting programs, especially within the host communities. These efforts are in line with international ESG best practices and affirm the company's position as a conscientious corporate entity dedicated to the principles of sustainable development. Furthermore, the planned integration of a Biodiversity Management Plan within our ESMS, will solidify our ongoing dedication to enhancing biodiversity. This plan is a clear indicator of our intent to not only maintain but also improve our biodiversity impact, ensuring continuous advancement in our sustainability strategy.

6. Circular Economy (Waste management)

At BUA Cement, we are dedicated to advancing waste management from its inception, adhering to the ethos that responsible practices begin within our own operations. Our commitment to reducing waste generation is evidenced by our comprehensive internal waste reuse strategy, which has significantly curtailed the volume of waste channeled to landfills. Recognizing the extensive challenge of waste management throughout Africa, we have assumed a pioneering role, demonstrating exemplary practices in our facilities.

The R^2 (Reuse and Resale) initiative is a testament to our embrace of circular economy principles. By repurposing waste materials generated in-house as alternative fuels and investigating other novel uses, we diminish our dependence on unprocessed resources. Our engagement with nature-based solutions to combat climate change further reflects our resolve to lessen our ecological impact. These endeavors are in direct congruence with SDG 12, underscoring our pledge to foster sustainable consumption and production patterns.

Circular Economy & Waste Management	2023	2022
Waste Generated [ktonnes]	4.84	-
% of Generated Non-Hazardous Waste	78%	-
% Diverted from landfill through Reuse & Resale	50.3%	-
% Use as Alternative Energy Source	6.1%	-

We have made commendable progress in our sustainability journey, with particular emphasis on circular economy and waste management. In 2023, our operations resulted in the generation of 4.84 kilotonnes of waste, of which a significant 78% was non-hazardous, highlighting our dedication to responsible manufacturing processes. It is important to note that this figure excludes 13,888 waste tyres, 20,506 fuel filters, and 869 used batteries, which were sold to third parties, as their mass (tonnes) equivalent was not ascertainable at the time of reporting. This transparent disclosure reflects our ongoing efforts to enhance sustainability and accountability in our operations.

Our waste reduction strategy has yielded notable progress. Through diligent sorting and processing, we successfully diverted 50.3% of our total waste from landfills, effectively channeling it back into the economy through reuse and resale initiatives. This achievement not only embodies our dedication to circular economy principles but also significantly mitigates our environmental footprint. Furthermore, 6.1% of our waste contributed to alternative energy production, exemplifying our innovative waste-to-energy practices that support cleaner energy solutions and align with international sustainability goals.

The lack of comparative data from the previous year is the implementation of our new reporting framework and adoption of enhanced waste monitoring techniques, reflecting our progressive approach to environmental reporting.

Our performance in circular economy and waste management is indicative of a proactive, environmentally conscious business model that serves as a paragon within the industry. In a pioneering initiative, we have successfully recycled damaged chest aprons into new arm protectors, which serve as essential protective gear for our packing plant personnel. This innovative recycling process not only mitigates waste volumes and reduces landfill expenses but also conserves raw materials and energy that would otherwise be expended in the manufacturing of new protective garments. In 2023 alone, we crafted 650 new arm protectors from 657 damaged chest aprons, effectively utilizing 86% of the produced arm protectors and maintaining a reserve of approximately 90 units.

A. Environment (Cont.)

Our commitment to sustainability extends beyond these initiatives, as we are in the process of unveiling additional waste management strategies. These strategies are encapsulated in our ESMS framework and includes comprehensive plans such as the Solid Waste Management Plan, Hazardous Materials Management Plan, and Pollution Prevention and Spill Response Plan, among others. These plans are a testament to our unwavering dedication to environmental excellence and our strategic approach to waste management, positioning BUA Cement at the forefront of sustainable industrial practices.

Promoting Pollution-Free Environment: BUA Cement Celebrates World Environment Day (2023)

BUA Cement is delighted to recount the strides made in environmental stewardship, particularly highlighted during the World Environment Day (WED) observance, under the rallying call "Solution To Plastic Pollution". This significant day was marked through a series of events, both virtual and in-person, engaging our global stakeholders in a meaningful dialogue on sustainability. In collaboration with esteemed partners such as the United Nations Environment Programme (UNEP), the Federal Ministry of Environment (FMEnv), Chanja Datti, and the Global Cement and Concrete Association (GCCA), we curated a series of panel discussions that fostered insightful exchanges and underscored our commitment to environmental consciousness.

Our teams, extending across the corporate spectrum, demonstrated their dedication to this cause by participating in a coordinated walk and community outreach, which involved a plastic collection initiative. This hands-on activity not only served to physically embody our campaign but also to galvanize community involvement and awareness. The campaign's visibility was further amplified through the adoption of the hashtag #BUAJoinsBeatPlasticPollution, a digital movement that complemented our on-the-ground efforts and was symbolically represented on our corporate attire, donned by all echelons of our staff throughout the eventful day.

Figure 8 - 10: World Environment Day Activities.

B. Social

The culmination of these efforts was not just symbolic but yielded tangible results, with the collection of over 1,330 discarded plastic bottles, equivalent to more than 0.03tons, from the surrounding environments of our operations. This initiative is a testament to BUA Cement's unwavering commitment to environmental sustainability and our proactive approach to fostering a greener future. Our actions on World Environment Day reflect our broader ESG strategy, which is woven into the fabric of our operations and corporate ethos, driving us towards a more sustainable and responsible industrial presence.

As part of our efforts to protect our social license to operate, BUA Cement has taken a pivotal step by initiating the Community Development Agreement (CDA) in 2023. This initiative marks a significant departure from our previous Memorandums of Understanding (MoUs) and demonstrates a more structured and compliant framework within the Nigerian context. The formulation of the CDA was a comprehensive process that involved widespread public consultations and transparent disclosures, ensuring the integration of local community voices and the concerns of relevant stakeholders into the final agreement. This cooperative venture achieved notable milestones in both community and governmental engagement, with negotiations undertaken earnestly to align with the interests and address the concerns of the host communities.

Our proactive engagement with these stakeholders not only mirrors our pledge to sustainable practices but also highlights our unwavering commitment to nurturing enduring, positive relationships with our community partners. The CDA initiative is a definitive sign of our dedication to responsible corporate citizenship and our contribution to fostering inclusive growth and development.

Social Metrics	2023	2022
Stakeholder Engagement	60	107
Town Hall Meeting	2	1
Community feedback	14	16
Completed CSR Projects	26	30
Local Employment Made	177	-
Local Vendor Contracted	10	-
Social Incident	0	0
Business Disruption from Community	5	0

A key indicator of our social performance is our stakeholder engagement, which mirrors our dual strategy of proactive and responsive interactions to maintain and enhance relationships with our neighbouring communities. During the reporting period, proactive engagements constituted 70% of our efforts, aimed at reinforcing bonds with our host communities. The remaining 30% pertained to responsive engagements, organized to address the grievances and concerns raised by the host communities. We also held two town hall meetings specifically designed to include diverse groups like youth, women, and vulnerable populations. These meetings provided a platform for open dialogue, information sharing (project disclosures), and feedback collection. Our continued commitment to these engagements underscores our dedication to being a constructive and responsive corporate neighbour, actively contributing to the social fabric of our operational environment.

We maintain a robust grievance mechanism that is well-communicated and readily accessible to stakeholders. This mechanism ensures transparency, legitimacy, and adherence to stakeholder rights. Throughout the year, we received 14 community complaints primarily related to social investment, local employment opportunities, and property damage. All concerns were addressed with utmost respect and diligence. We are pleased to report zero social incidents in 2023.

In our commitment to community integration and empowerment, we have generated over 177 job opportunities within our host communities, fostering economic participation and sustainability. Notably, 5% of these roles have been entrusted to local contractors, providing specialised services integral to our operations.

To reinforce our dedication to social responsibility and to solidify our social license to operate, we are instituting a suite of strategic documents as part of our ESMS, which includes a Stakeholder Engagement Plan, Community Development Plan, Resettlement Framework Procedure, Cultural Heritage Plan, Chance Find Procedure, Influx Management Plan, and Community Safety Plan.

B. Social (Cont.)

Education
We believe that education is the foundation of a prosperous and inclusive society

Empowerment
We believe in promoting sustainable growth and well-being by empowering people to shape their own futures

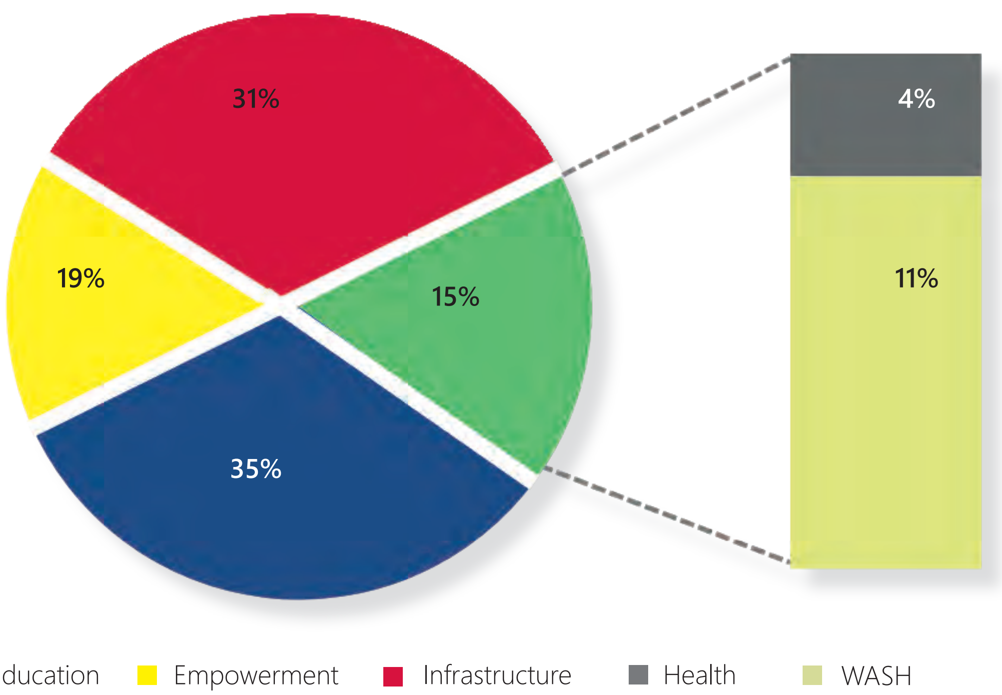
Infrastructure
We believe that infrastructure is essential for enhancing the quality of life and enabling growth

Health
We believe that health is a human right and a prerequisite for well-being

WASH
We believe that water, sanitation and hygiene (WASH) are critical for health, dignity, and prosperity

Our commitment to the prosperity of our host communities is further exemplified by the launch of 26 social investment projects, with a cumulative value of ₦1.1 billion. These projects are strategically aligned with our core values and the articulated needs of the communities, focusing on five key thematic areas to ensure a targeted and impactful approach to community development. Through these endeavours, BUA Cement continues to build a legacy of trust, collaboration and mutual growth with our stakeholders.

Figure 12: Contribution towards positive social impact



Sustainable Development Goals

NO POVERTY

END POVERTY IN ALL ITS FORMS EVERYWHERE.

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

During the year 177 job opportunities were created within host communities, with 5% of these roles entrusted to local contractors with specialised skills vital to our operations

The Company contributed to the Alofeli Empowerment Foundation, an operational NGO with a focus towards the Okpella Community.

GOOD HEALTH AND WELL-BEING

ENSURE HEALTH AND WELL- BEING FOR ALL.

We provided 15 community health centres medicines, promoting the wellness of communities in Sokoto State.

QUALITY EDUCATION

ENCOURAGE QUALITY EDUCATION AND LIFELONG LEARNING.

Every year, BUA Cement is responsible for the full funding of the BUA Cement schools (formerly Sokoto Cement Schools) at Wurno Road, Sokoto State. In addition, the Company in 2023 furnished its multi-purpose hall.

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.

Scholarships were also awarded to undergraduate and post-graduate students from Edo State.

Renovated classrooms at Ikpomaza Grammar School, Afokpella Secondary School and Utayokhe Primary School. In addition, the Company renovated and furnished 3 classrooms at Iddo 2 Primary School, Okpella, Edo State.

The burnt girls' hostel at AA Raji Special School, Sokoto State was renovated.

The Company donated 4,900 (80 leaves) and 2,810 (60 leaves) exercise books to schools in Sokoto State.

Sustainable Development Goals (Cont.)

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. In addition, 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 2 boreholes at Okhomunyo and Imiekuri, both in Okpella, Edo State.

Constructed solar powered boreholes at Gidan Marafa and Kanwuri/Yarkatanga, both in Sokoto State

AFFORDABLE AND CLEAN ENERGY

ENSURE ACCESS TO RELIABLE, SUSTAINABLE, AND MODERN ENERGY.

Installed 5 (500KVA) transformers in Okpella town, Edo State.

Repaired the vandalised transformer at Gidan Bailu, Sokoto State.

Installed a 500KVA transformer, with an 11KVA line at Gidan Solanke, Sokoto State.

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.

Sustainable Development Goals (Cont.)

INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FASTER INNOVATION.

Installed streetlights from the Truck Park Junction to Wamakko Junction, Sokoto State.

Renovated the roundabouts at Arkilla, Gidan Man-Ada and NNPC junctions in Sokoto Town.

The 3.7km Afokpella road construction still ongoing.

Yusuf Binji, MD/CEO, joined the panel at African Economic Conference in Ethiopia, which was organised by African Development Bank (AFDB), Economic Commission for Africa (ECA) and the United Nations Development Program (UNDP) to discuss ways to promote industrialisation across Africa with a focus on SME linkages.

SUSTAINABLE CITIES & COMMUNITIES

MAKE COMMUNITIES SAFE, RESILIENT, AND SUSTAINABLE.

Installed a 7.5KVA, 48V inverter with 300W solar panels at the Masallacin Shehu, Sokoto State.

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.

LIFE ON LAND

PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEM.

Diverted 50.3% of total waste from landfills through our reuse & resale practices. In addition, we reclaimed 11.2 mmt of quarry land (2022: 6.3mmt)

A total of 410 trees were planted during the year, as part of our "green initiative".

Sustainable Development Goals (Cont.)

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 co-existence 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 20 units of 4x4 pick-up vehicles.

Our social metrics reflect our commitment to sustainability and social responsibility, and we are proud to share them with our stakeholders. We comply with the regulatory standards for disclosure and we also see it as a chance to showcase our achievements and challenges. We value feedback and we hope to maintain an open and constructive dialogue with our stakeholders.

Win with The King (Scratch and Win Promo)

Win with The King (Scratch and Win Promo)

Corporate Governance

Corporate Information

Company Registration Number
RC 1193879

Board of Directors

Abdul Samad Rabiu CFR, CON.	Nigerian	Chairman
Yusuf Binji	Nigerian	Managing Director/Chief Executive Officer
Jacques Piekarski	Swiss	Executive Director/Chief Finance Officer
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	Nova Merchant Bank Limited	Zenith Bank Plc
Coronation Merchant Bank Limited	Polaris Bank Limited	
Eco Bank Nigeria Plc	Providus Bank	
FBNQuest Merchant Bank Ltd	Stanbic IBTC Bank Plc	
Fidelity Bank Plc	Standard Chartered Bank Nigeria Limited	
First Bank Nigeria Limited	Sterling Bank Plc	
First City Monument Bank Limited	Taj Bank Limited	
Guaranty Trust Bank Plc	Union Bank of Nigeria Plc	
Keystone Bank Limited	United Bank for Africa Limited	

Corporate Governance Report

Opening Statement of the Chairman on Corporate Governance

Dear Stakeholders,

BUA Cement PLC (the "Company") is dedicated to upholding the highest standards of corporate governance and ethical conduct. This commitment ensures long-term success and fosters the trust of all stakeholders, including customers, shareholders, employees, creditors, suppliers, regulators, and communities. By implementing best practices and adhering to sound corporate governance principles, BUA Cement maintains stakeholder confidence within the housing and infrastructure sector.

During the reviewed period, the Board of Directors approved and initiated the implementation of two significant policies. These policies focus on strengthening relationships with suppliers and service providers, as well as preventing bribery and corruption. These initiatives aim to promote ethical conduct and foster a culture of integrity, crucial for boosting and retaining investor confidence.

BUA Cement values transparency and openness. The Company believes that well-informed stakeholders are essential for building trust. To achieve this, BUA Cement prioritizes effective communication and strong relationships. This includes offering opportunities for shareholders to interact with the Company, such as during Annual General Meetings (AGMs), allowing them to ask questions and provide feedback.

The Company remains committed to complying with all relevant regulations and international best practices. This includes adherence to the Nigerian Code of Corporate Governance 2018, the Memorandum and Articles of Association, the Companies and Allied Matters Act 2020, the NGX Rules, and the Regulations of the Securities and Exchange Commission (SEC). This report details the Board's commitment to these regulations and outlines optimal approaches in the realm of corporate governance.

By prioritizing good corporate governance, BUA Cement strives to create sustainable value for all stakeholders and contribute to the positive development of the Nigerian economy.

Abdul Samad Rabiu, CFR, CON.
Chairman

The Board

The Board is the apex decision-making body responsible for fostering enduring value by effectively overseeing the Company's operations and assets. It ensures accountability by adhering to corporate governance principles as defined in the Companies and Allied Matters Act, the Nigerian Code of Corporate Governance, and the Board Charter. The Board's mandate is to oversee the Company's alignment with its objectives and strategy and promote stakeholder well-being.

The Board is composed of highly experienced individuals with diverse expertise, skills, and knowledge essential for effective leadership in today's dynamic and challenging business environment. The Board Charter serves as a foundational document outlining the Board's functions, roles, and responsibilities. The Board is responsible for approving the Company's strategy and financial objectives, closely monitoring their implementation, and reviewing and approving the succession plan for Board members and senior management staff.

The Board of Directors is responsible for, but not limited to, ensuring that goals, annual budgets, and business plans all align with the Company's overall strategy. They establish performance goals to track the Company's progress and oversee the integrity of accounting and financial reporting systems. The Board makes decisions regarding expenditure issues and approves recommendations from Board Committees.

Furthermore, the Board oversees budgetary planning, treasury planning, and strategic initiatives, guaranteeing that these processes align with the Company's overall objectives. They assess and approve internal controls and risk management policies to safeguard the Company.

The Board also plays a crucial role in Board governance. This includes evaluating Board members' performance, determining compensation and succession plans, and overseeing the appointment, training, and remuneration of Board members.

Composition of the Board

In accordance with the Company's Articles of Association, the Board is composed of nine (9) Directors. The Board size is appropriate considering the Company's daily operations, as required by the Nigerian Code of Corporate Governance 2018.

Corporate Governance Report (Cont.)

Each member brings a wealth of competence, experience, and a track record of impressive achievements. As of 31 December 2023, the Board consisted of four Non-Executive Directors, three Independent Non-Executive Directors, and two Executive Directors.

The Chairman and the Chief Executive Officer

In accordance with the Nigerian Code of Corporate Governance, the Chairman and Managing Director/CEO are separate and not occupied by the same person. The Chairman guides the Board to fulfil all legal and regulatory obligations. The Chairman also sets the Board's agenda in collaboration with the Managing Director/CEO and Company Secretary and fosters communication among the Directors. The Managing Director executes delegated powers according to Board-approved guidelines and oversees the Company's day-to-day operations.

Executive Director

Each Executive Director of the Company is provided with a contract of employment and a letter of appointment that clearly outlines their terms of engagement, roles, and responsibilities as Directors. When a Director is appointed, it is his/her responsibility to disclose any potential conflict of interest. This declaration is regularly updated annually, or whenever new developments arise.

Non-Executive Director

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

Upon joining the Board, all Non-Executive Directors receive a customised induction programme that caters to their specific needs, following the guidelines outlined in the Company's Board Selection and Appointment Policy and the Nigerian Code of Corporate Governance.

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

Independent Non-Executive Director

The Company has three Independent Non-Executive Directors who meet the requirements of Principle 7.2 of the Nigerian Code of Corporate Governance. They are selected through the Company's Board Selection and Appointment Policy, which considers available skills and recommended practices and involves assessing, screening, and shortlisting candidates. The Governance, Establishment, and Remuneration Committee recommends eligible candidates for the Board's approval. Their duties, responsibilities, and engagement terms are specified in their letters of appointment. The Board confirms the independence of these Directors annually through declarations of conflict and corporate governance evaluations.

The Independent Non-Executive Directors receive Directors' Fees, and their shareholding in the Company does not exceed 0.01%, as recommended by the Nigerian Code of Corporate Governance.

The Company Secretary

The Company Secretary, who also serves as the Chief Legal Officer, is a key member of the Management team and reports to the Board Chairman, with a communication line to the MD/CEO. Appointed by the Board after a rigorous selection process, the Company Secretary provides support, governance advice, and legal guidance to the Board and individual Directors on their powers, duties, and responsibilities. As the Chief Legal Officer, she ensures that the Company's activities safeguard its interests and comply with all relevant laws and regulations.

The Secretary is a guiding force and a trusted business partner to the Board and its Committees. She ensures decisions are in accordance with applicable laws and regulations, oversees the procedures for conducting Board and Committee meetings, and serves as the Secretary to all Board Committees.

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 to all relevant laws, regulations, and accepted business ethics and practices,

Corporate Governance Report (Cont.)

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. The list of the members of the Central Management and biographies are contained on page 55 to 59 of the Annual Report.

Board Appointment Process

As necessary, the Board strengthens its capabilities by selecting new members who possess relevant skills and unique perspectives, while also preserving valuable knowledge, experience, and diversity. The Governance, Establishment, and Remuneration Committee (GERC) plays a vital role in ensuring that the Board of Directors is equipped with the necessary qualities, and skills to meet the requirements of the Nigerian Code of Corporate Governance. When a vacancy arises on the Board, the GERC carefully evaluates the qualification and characteristic needed to fill the gap. The GERC conducts interviews for prospective candidates, selects the individual who meets the specified requirements and recommends same to the Board for approval.

Retirement by Rotation

In accordance with Article 86 of the Company's Articles of Association and Section 285(1) of the Companies and Allied Matters Act 2020, one-third of the Directors are to retire by rotation and may offer themselves for re-election every year (depending on their tenure on the Board).

Pursuant to this requirement, the Directors to retire by rotation, and who being eligible, offer themselves for re-election are:

i. Abdul Samad Rabiu CFR, CON
ii. Kabiru Rabiu
iii. Chimaobi Madukwe

Board Meetings

The Board convenes quarterly as scheduled in the approved Annual Calendar, to fulfil its oversight duties and evaluate the Management's performance. Special meetings are held for urgent matters requiring immediate attention and decisions. In between meetings, regular communication with Management is maintained to monitor progress, address challenges, assess strategy implementation and provide necessary guidance to Management.

Directors are provided with meeting papers and reports in advance, allowing them ample time to prepare. Even in the event of absence, each Director still receives all documents pertaining to the meeting. Additionally, Directors can address concerns with the Chairman during the meeting.

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 Director	Designation	Date of meeting and attendance				
		23/02/23	27/04/23	20/07/23	26/10/23	21/12/23
Abdul Samad Rabiu, CFR, CON.	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/ED	P	P	P	P	P
Ganiat A. Siyonbola	INED	NYA	NYA	NYA	NYA	P

Note : P = Present A = Absent NYA = Not yet appointed

Corporate Governance Report (Cont.)

Board Committees

In addition to the Statutory Audit Committee (SAC), the Board fulfils its duties through four (4) 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 help the Board to effectively oversee the Company's operations and develop 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 final decisions, the Committees provide recommendations to the Board 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 Executive Directors, and two Non-Executive Directors.

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 five (5) scheduled meetings in the year; the table below outlined the attendance of the members of the Committee at meetings held during the year under review:

S/N	Name	Designation	Date of meeting and attendance				
			22/02/23	26/04/23	19/07/23	24/10/23	12/12/23
1	Kabiru Rabiu	Chairman (NED)	P	P	P	P	P
2	Chimaobi Madukwe	Member (NED)	P	P	P	P	P
3	Shehu Abubakar	Member (INED)	P	P	P	P	P
4	Yusuf Binji	Member (MD)	P	P	P	P	P
5	Jacques Piekarski	Member (ED)	P	P	P	P	P

Note : P = Present A = Absent

B. GOVERNANCE, ESTABLISHMENT AND REMUNERATION COMMITTEE

The Governance, Establishment, and Remuneration Committee is chaired by an Independent Non-executive Director. It plays a key role in shaping the Board's structure and strategy. The Committee establishes criteria for Board and Committee membership, assesses candidates for Director positions, and identifies the 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 obtaining 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 and maintaining policies for these roles.

To ensure effectiveness, the Committee conducts annual evaluations to assess the performance of the Board, individual Directors, Committees, and Executive Directors. This comprehensive approach ensures that our governance practices are robust and aligned with both internal objectives and external requirements.

Corporate Governance Report (Cont.)

ACTIVITIES OF THE COMMITTEE

The Committee held five (5) scheduled meetings during the year; the table below outlines the attendance of the committee members at those meetings.

S/N	Name	Designation	Date of meeting and attendance				
			17/02/23	26/04/23	18/07/23	25/10/23	11/12/23
1	Khairat A. Gwadabe	Chairman (INED)	P	P	P	P	P
2	Chimaobi Madukwe	Member (NED)	P	P	P	P	P
3	Kabiru Rabiu	Member (NED)	P	P	P	P	P
4	Finn Arnoldsen	Member (NED)	P	P	P	P	P
5	Shehu Abubakar	Member (INED)	NYA	NYA	NYA	NYA	P

Note : P = Present A = Absent NYA = Not yet appointed

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. It 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 and approving 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 five (5) scheduled meetings. The table below shows the attendance of the members of the Committee at meetings held during the year.

S/N	Name	Designation	Date of meeting and attendance				
			21/02/23	25/04/23	18/07/23	24/10/23	12/12/23
1	Finn Arnoldsen	Chairman (NED)	P	P	P	P	P
2	Khairat A. Gwadabe	Member (INED)	P	P	P	P	P
3	Shehu Abubakar	Member (INED)	P	P	P	P	P
4	Yusuf Binji	Member (ED)	P	P	P	P	P
5	Jacques Piekarski	Member (ED)	P	P	P	P	P

Note : P = Present A = Absent

Corporate Governance Report (Cont.)

D. BOARD AUDIT COMMITTEE

In adherence to Principle 11.4.7 of the Nigerian Code of Corporate Governance, the Board constituted a Board Audit Committee (BAC). The BAC, established under a Terms of Reference, comprises three (3) Independent Non-Executive Directors and two (2) Non-Executive Directors, all of whom possess extensive financial expertise and the ability to analyse financial statements.

The Committee is chaired by an Independent Non-Executive Director. At the October 2023 Board meeting, Ms. Ganiat A. Siyonbola, the newly appointed Independent Non-Executive Director, was further appointed to serve on the Board Audit Committee.

The BAC has been established with the key objective of overseeing the Management's processes to ensure the accuracy and integrity of the Company's financial statements. It 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 and is adequately resourced and staffed. 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 assets and achieving set objectives.

The Committee held three (3) scheduled meetings in the year; its membership and attendance are listed in the table below:

S/N	Name of Director	Designation	Date of meeting and attendance		
			21/02/23	19/07/23	23/10/23
1	Shehu Abubakar	Chairman (INED)	P	P	P
2	Finn Arnoldsen	Member (NED)	P	P	P
3	Khairat A. Gwadabe	Member (INED)	P	P	P
4	Chimaobi Madukwe	Member (NED)	P	P	P
5	Ganiat A. Siyonbola	Member (INED)	NYA	NYA	NYA

Note : P = Present A = Absent NYA = Not yet appointed

E. STATUTORY AUDIT COMMITTEE

In compliance with Section 404 of the Companies and Allied Matters Act 2020, the Company constituted the Statutory Audit Committee (SAC). In line with the provisions of Section 404 (3) of the Companies and Allied Matters Act 2020, the Committee consists of 3 (three) shareholders and 2 (two) Non-Executive Directors. At the October 2023 Board meeting, Shehu Abubakar was replaced by Ganiat A. Siyonbola.

The SAC consists of members with diverse qualifications and experience in accounting, finance, banking, tax, risk management, business administration, and law. The SAC reviews the internal auditor's reports on a quarterly basis. The Company has an internal control framework, and compliance is monitored through quarterly updates. Additionally, the Company implements an annual risk-based internal audit plan. The Head of Internal Audit provides quarterly reports on the adequacy and effectiveness of management, governance, risk, and control environment, highlighting deficiencies and mitigation plans. The SAC and the MD/CEO evaluate the performance of the Head of Internal Audit.

The Committee also provides recommendations to the Board regarding the selection, retention, or removal of Independent Auditors. These recommendations are approved by the Board and ratified by shareholders.

Corporate Governance Report (Cont.)

The Committee held five (5) meetings in the year under review.
The table below is the attendance of the members of the Committee at the meetings held during the year:

S/N	Name of Director	Designation	Date of meeting and attendance				
			22/02/23	26/04/23	18/07/23	23/10/23	12/12/23
1	Ajibola Ajayi	Chairman	P	P	P	P	P
2	Kabiru Tambari	Member	P	P	P	P	P
3	Oderinde Taiwo	Member	P	P	P	P	P
4	Kabiru Rabiu	Member (NED)	P	P	P	P	P
5	Shehu Abubakar	Member (INED)	P	P	P	P	-
6	Ganiat A. Siyonbola	Member (INED)	NYA	NYA	NYA	NYA	P

Note : P = Present A = Absent NYA= Not yet appointed

Risk Management Framework

The Company has built a strong framework for managing enterprise risk in accordance with acceptable corporate governance practices. The Enterprise Risk Framework aligns with the Company's commitment to risk management based on international standards and best practices. The Company's Risk Management department aims to minimize the gap between expectations and outcomes, leading to more predictable results. This objective requires a robust framework and transparent risk management processes.

Our risk management approach comprises the following elements:

i. Risk Identification: Identifying all factors that may cause divergences.
ii. Risk Assessment/Measurement: Estimating the likelihood and severity of risk events.
iii. Risk Treatment/Control: Designing effective controls to reduce the likelihood and severity of risk events.
iv. Risk Monitoring and Review: Establishing procedures to ensure that these controls are effective. Action, follow-through, and improvements must be visible and quantitative. Monitoring and review are critical processes in the continual development of risk management.
v. Risk Reporting: Regularly reporting risk occurrences and controls.
vi. Risk Communication and Consultation: Communication at all levels of the organisation to guarantee accurate and effective risk management operations.

Our risk management method enables improved management, prevention, and compliance with laws and regulations.

Shareholders

The Board and Management of the Company ensure that information regarding its operations is communicated to shareholders, stakeholders, investors, and the general public in a timely and uninterrupted manner. Shareholders were duly notified, provided with annual reports, and given access to other pertinent information a minimum of 21 days prior to the previous Annual General Meeting in 2022. In attendance were the Chairman of the Audit Committee and the Chairman of the Board of Directors, who were available to address inquiries from shareholders. The shareholders were furnished with sufficient information via the Company's website and the Nigerian Exchange Issuers' Portal. The Company has developed a Complaints Management Framework Policy in adherence to the regulations set forth by the Securities and Exchange Commission and directives of the Nigerian Exchange Limited. By establishing a structure for the Company and its Registrar to aid shareholders in addressing their concerns and issues, this policy also permits shareholders to provide input on matters that affect them. The policy is available at https://www.buacement.com.

Corporate Governance Report (Cont.)

Onboarding and Continuing Training for Directors

The Company has approved a Directors' training policy to enhance the skills and knowledge of its Directors. This policy ensures that Directors have access to necessary learning opportunities and outlines a strategy for equipping them to carry out their roles and responsibilities effectively. In line with the Directors' training policy, the Company Secretary develops the annual Directors' training plan. In 2023, Directors engaged in various training sessions, including the Strategic Finance Program, Developing Leaders, Transforming Organizations, Contributing to Society, and Orchestrating Winning Performance and Corporate Governance. New Directors undergo a formal induction program to familiarize themselves with the Company's operations, strategic plans, compliance programs, and Code of Business Conduct and Ethics, among others. During the year, the Company Secretary facilitated an onboarding session for Ms. Ganiat Adetutu Siyonbola.

Directors are encouraged to continuously enhance their skills and knowledge while the Company provides continuous training programs to deepen their understanding of the regulatory and competitive landscape in which the Company operates.

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, and 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 international best practices, the Board has access to independent professional advice. This access enables Directors to fulfil their responsibilities effectively and make informed decisions. The Company bears the cost of the professional advice.

Whistleblowing Policy

The Company is dedicated to upholding ethical standards and has created a culture where employees can report any potential breaches of the Company's Code of Business Conduct (CoBC) through the Integrity Line on its website. The Integrity Line is regularly communicated to stakeholders and monitored for effectiveness. BUA Cement Plc's whistleblowing policy ensures anonymity and protection for those reporting wrongdoing. The Company believes in transparency, fairness and ethics, and values a culture of openness and accountability for the success of the business.

Insider Information

In line with relevant regulations, including the Investment and Securities Act 2007, the Nigerian Code of Corporate Governance, and the Rules of the Nigerian Exchange Limited, the Company has a publicly available policy on insider information and the prohibition of insider trading. This policy prohibits trading in the Company's shares by Directors, employees, persons discharging managerial responsibilities, advisors, and their connected persons, or any individuals with insider information during Closed Periods defined by law. The Company Secretary regularly reminds Directors, employees, and all other relevant individuals of their obligations not to trade in the Company's shares during closed periods.

In addition to legal requirements, BUA Cement encourages Board members, employees, and all stakeholders to protect confidential and potentially price-sensitive information.

Succession Planning

To ensure the Company's long-term sustainability and continued success, BUA Cement has a comprehensive succession policy in place. This policy identifies critical positions across various departments that significantly impact achieving the Company's strategic goals. High-potential employees with strong track records, relevant skills, and leadership qualities that align with future needs are then selected for these identified roles. Finally, BUA Cement designs and implements customized development programs, including mentoring, coaching, and rotational assignments, to prepare chosen individuals for future leadership positions.

Board and Corporate Governance Evaluation

The Board has implemented a Board Evaluation Policy that mandates periodic internal evaluations to ensure excellence and continuous advancement. The policy provides a systematic method for evaluating

Corporate Governance Report (Cont.)

the performance of the Board, Board Committees, and individual Directors. During the year under review, the Board of Directors further strengthened this commitment by approving the engagement of a consultant to carry out a comprehensive evaluation of the Board's effectiveness and the Company's corporate governance practices for the year 2024. This evaluation process is currently ongoing, and the Board expects the findings to provide valuable insights for further enhancing its effectiveness and corporate governance practices.

Conflict of Interest

To aid Directors and other senior executives in identifying, addressing, and disclosing actual or perceived conflicts of interests, the Board approved a Conflict-of-Interest Policy for the Company. The Policy requires new Directors to disclose their interests in any positions they hold as directors, officers, employees, creditors, or members of other companies, consultancies, or organizations. Directors are further required to disclose any conflicts of interest upon their appointment, on an annual basis, or as conflicts arise. Additionally, any Director involved in a related party transaction must disclose their conflict to other Directors before the meeting and abstain from participating in discussions, reporting, and voting on the transaction during the Board or Board Committee meeting. During the year under review, the Directors completed the declaration of interest forms and disclosed any involvement in related party transactions.

Code of Conduct and Ethics

The Code of Business Conduct and Ethics (CoBC) is a set of ethical guidelines that guide the Company's actions and decisions. It applies to all employees and emphasises the importance of human rights, labour, the environment, and anti-bribery measures. Regular reviews ensure that it remains relevant throughout the organization. The CoBC encourages employees to make decisions that align with ethical principles. New employees are required to demonstrate their understanding and commitment to the Code and promote its consistent implementation.

The Directors are mandated to formally acknowledge and adhere to the Code of Conduct and Ethics for Directors by filling out a form annually, committing to uphold their duties of care and loyalty to the Company.

Data Protection

The Company has implemented systems to ensure that personal data collected from employees, customers, suppliers, service providers, and other stakeholders, such as names, contact information, and financial data, adheres to the Nigerian Data Protection Act 2023 (NDPA). Complying with the NDPA not only protects individual privacy rights but also strengthens BUA Cement's reputation for responsible data management. For detailed information regarding the Company's approach to privacy, stakeholders can refer to the Privacy Policy available on the Company's website at https://www.buacement.com/wp-content/uploads/2021/02/BUA-CEMENT-PLC-GENERAL-PRIVACY-POLICY.pdf. This policy outlines the Company's procedures for handling personal data and underscores the rights and protections granted to individuals whose information is processed.

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

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 paid to Directors is determined by the Executive and Non-Executive Director's remuneration policy. This policy is subject to periodic review as needed.

The Board sets Key Performance Indicators (KPIs) for Executive Directors, and their remuneration is linked to achieving these targets. The MD/CEO, Executive Directors, and Company Secretary do not receive additional fees or sitting allowances.

Corporate Governance Report (Cont.)

Sustainability

At BUA Cement, our purpose revolves around creating invaluable solutions that address challenges in housing and infrastructure while significantly contributing to economic empowerment and national development. Since our inception, we have remained steadfast in our commitment to fostering national and economic development in Nigeria and across Africa, leveraging both our operational activities and social initiatives. Through these initiatives, we aim to continue leading discussions about Africa's potential in the world.
Our deep desire to see Africa thrive compels us to prioritize quality and innovation, ensuring our product offerings consistently deliver the expected level of value while catering to the diverse needs of our customer base.

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, and the provision of other social amenities and infrastructure to the communities where BUA Cement operates.

In the past year, BUA Cement demonstrated commitment to sustainability and environmental stewardship by instituting an Environmental and Social Management System (ESMS). This endeavour signifies our unwavering commitment to harmonizing our operational practices with both local and global Environmental and Social Sustainability Standards. The ESMS initiative is emblematic of our forward-thinking ethos, embedding international best practices within the core of our sustainability pursuits.

The ESMS is pivotal to our sustainability architecture, offering a systematic approach for the adaptive management of our environmental, occupational health and safety (OHS), labour, and social risks, impacts and opportunities. Adhering national and international benchmarks, the system forms the basis for the continuous improvement of our sustainability performance.

Compliance Statement

Our Company is dedicated to upholding the highest standards of corporate governance, with a particular emphasis on transparency and accountability. We achieve this by adhering to the Nigerian Code of Corporate Governance, 2018, and the disclosure requirements under the Nigeria Exchange Group's Listing Requirements and Rules. We have established a comprehensive framework to ensure compliance with these regulations, continuously reviewing our policies and procedures to maintain their effectiveness. This proactive approach not only aligns with our business objectives but also fosters investor confidence and contributes to the sustainable development of the Nigerian economy.

By Order of the Board:

Hauwa Satomi
Company Secretary/Chief Legal Officer
FRC/2022/PRO/NBA/002/00000023786
BUA Cement Plc,
Lagos, Nigeria.
27 February 2024

Board of Directors

Abdul Samad Rabiu, CFR, CON.
Chairman

Date of Birth: 4 August 1960
State of Origin: Kano State

An astute businessman, philanthropist and industrialist, Alhaji Abdul Samad Rabiu is the Founder and Chairman of BUA Group – a company which he established in 1988 and has grown to become one of Nigeria's largest privately owned foods, manufacturing and infrastructure conglomerates with diversified investments spanning key business sectors of the Nigerian economy. He is also the founder of the Abdul Samad Africa Initiative, ASR Africa – an African focused Fund for Social Development and Renewal which seeks to support Nigeria and other African countries in the areas of Health, Education and Social Development.

BUSINESS
Under Abdul Samad's astute leadership, BUA has grown steadily over the years to entrench itself as a leading player with holdings in cement, sugar, rice, flour and pasta, edible oils, logistics, agriculture, construction, ports operations, and real estate. With a firmly established reputation for innovation, BUA Group is one of the largest contributors to Nigeria's GDP and among its largest employers of labour.

After finishing his degree in Economics from Capital University, USA, Abdul Samad returned to Nigeria from the United States and joined the family business, the IRS Group, until 1988 when he set up BUA Group to engage in importing and trading in major commodities like rice, edible oils, flour, pasta, and iron/steel rods. He later ventured into steel, billets and iron ore importation, supplying multiple rolling mills in Nigeria.

EXPANSION & MANUFACTURING
Few years down the line, BUA acquired Nigerian Oil Mills Limited in 2001 which was at the time, the largest edible oil processing company in Nigeria. He was later to set up 2 flour milling plants in Lagos and Kano in 2005. By 2008, BUA, under Abdul Samad's astute leadership, commissioned the second largest sugar refinery in sub-Saharan Africa. He then went on to acquire a controlling stake in the publicly listed Cement Company of Northern Nigeria (Sokoto Cement) in 2009 and commenced the construction of the over $1billion cement manufacturing complex in Obu-Okpella, Edo State commissioned in 2015 which was at that time, the single largest non-oil investment in South-South Nigeria and had a capacity of 6 million metric tonnes per annum upon completion of the second line. This was followed by a new 1.5 million metric tonnes line in Sokoto in 2018 and another 3 million metric tonnes line which commenced in 2020 and was commissioned in 2022, bringing the total installed capacity for his cement holdings to 11 million metric tonnes as of January 2022.

Other recent investments by the company include the $300 million, 20,000 hectares Lafiagi Sugar Estate project as part of the Nigerian Government's Backward Integration Plan for the Sugar Industry which comprises a sugar mill, sugar refinery, ethanol processing plant and 35MW power plant. The company also built an export focused refinery in Port Harcourt – the only destination sugar refinery in sub-Saharan Africa and commenced new investments in flour milling and pasta production.

Board of Directors (Cont.)

Abdul Samad Rabiu also announced the construction of a 200,000 barrels per day petrochemicals refinery to be situated in Akwa Ibom state, Nigeria and signed an agreement with Axens of France in August 2020 for the refinery aimed at solving Nigeria and West Africa's petroleum refining needs.

MERGERS & PUBLIC LISTINGS

In January 2020, Abdul Samad Rabiu merged his privately owned Obu Cement Company with the publicly listed Cement Company of Northern Nigeria, where he already held a controlling stake in a 3.3 billion dollars transaction. The resultant company from the merger, BUA Cement Plc, was the third largest company on the Nigerian Stock Exchange by market capitalisation upon listing.

He followed this success with a consolidation of all his foods businesses in Sugar, Edible Oils, Rice, Flour & Pasta Milling into a new company, BUA Foods Plc, which was also listed on the Nigerian Exchange in December 2021.

Both companies sit today among the top ten most valuable publicly listed companies in sub-Saharan Africa.

A former chairman of Tropical Continental Bank from 1993 to 2000, two-time former Chairman of Nigeria's Bank of Industry, current Chairman and majority shareholder in BUA Cement Plc & BUA Foods Plc, Abdul Samad's ever-expanding conglomerate boasts of several subsidiaries.

Today, the BUA Group has been nurtured from a relatively small company in 1988 to a world-class conglomerate contributing significantly to the country's GDP while providing employment opportunities for tens of thousands of Nigerians. These are in addition to heavy portfolio investments in key sectors of the Nigerian economy.

PHILANTHROPY AND SOCIAL IMPACT

In addition to his economic contributions, Abdul Samad Rabiu, through the BUA Foundation and more recently, his Abdul Samad Rabiu Africa Initiative (ASR Africa), has also contributed immensely to various philanthropic and social development activities in different areas from healthcare to education, sports, water and sanitation, amongst others.

In October 2022, Abdul Samad Rabiu, through ASR Africa, donated US$500,000 to the United States Agency for International Development to partner on Tuberculosis (TB) control, HIV, and gender-based violence (GBV) prevention efforts in Nigeria. Through this partnership, ASR Africa's contribution will provide: 11 loop-mediated isothermal amplification diagnostic machines, also known as TB-LAMPs, with laboratory reagents and consumables; renovation of 10 Tuberculosis Directly Observed Therapy or DOT centers; and approximately 1,200 dignity kits for survivors of gender-based violence across selected states in Nigeria.

Prior to this partnership, he commenced the ongoing development of a ₦7.5 billion 200-bed specialist hospital in Kano State and during the global COVID-19 pandemic, Abdul Samad Rabiu championed Nigeria's donation to the Covid-19 intervention by a single individual or corporate donating, amongst other things, ₦1.35 billion to the CACOVID Private Sector Coalition; ₦300 million to the Presidential taskforce on COVID-19; over ₦1 billion in cash donations to 10 state governments across the country; about 70 ambulances provided for over 15 states as well as the donation of medical equipment, facemasks, provision of raw/dry foodstuff for over 1.5 million persons in Kano, Lagos and Rivers States as well as the construction of health infrastructure.

In 2021, Abdul Samad Rabiu set up the Africa Fund for Social Development and Renewal through his ASR Africa Initiative. So far, the initiative has donated and/or commenced projects across Nigeria and Ghana including the ₦4 billion Police Hospital in Abuja, and donated ₦1 billion each for 6 universities across Nigeria through the ASR Africa Tertiary Education Grants Scheme for infrastructural development. The beneficiaries of the ₦6 billion Tertiary Education Grants Scheme are Ahmadu Bello University, University of Ibadan, University of Maiduguri, Nnamdi Azikiwe University, University of Ilorin and University of Benin.

In addition, his ASR Africa initiative also donated ₦2.5 billion each through its tertiary healthcare Development Grants for health projects across four geopolitical zones in the country. These funds are being channeled towards projects in Sokoto, Ogun, Kwara as well as Edo States and include an Oncology and Diagnostic Centre in Ilorin, which is expected to be the largest in West Africa; the construction of the College of Medical Sciences at the Sokoto State University, and other infrastructure at the School of Nursing, Tambuwal and the School of Health Technology, also in Sokoto State. These are in addition to ₦5 billion donated to build the first teaching hospital in Akwa Ibom State.

Board of Directors (Cont.)

Abdul Samad Rabiu has always heeded the call to support in times of crisis, the latest being his donation to victims of flooding in Gombe State and Bauchi State. In the North-Eastern part of Nigeria, Abdul Samad Rabiu continues to be one of Nigeria's largest private donors to reconstruction and development efforts. More recently, he also announced a donation of ₦10 billion Security Support Fund to the Nigerian Government.

Abdul Samad Rabiu, through his various business interests has also been a champion of protecting the environment through his investments in manufacturing plants that meet or exceed stringent environmental standards with a focus on recycling most of their waste products, the use of cleaner energy sources like natural gas whilst reducing the environmental impact of their operations. These businesses are also involved in various community projects across Nigeria from Water and Sanitation, Electrification, Education to Sports in line with the United Nations Sustainable Development Goals.

As a testimony to hard work, an indefatigable entrepreneurial spirit and consistently championing Nigeria as a preferred investment destination in Africa, Abdul Samad Rabiu was reappointed for another one-year tenure by President Emmanuel Macron of France as the President of the France Nigeria Business Council in June 2022.

A recipient of many awards, Abdul Samad Rabiu was awarded the 2022 CEO of the Year at the African CSR Awards, 2016 African Industrialist of the Year Award by the All-Africa Business Leaders Awards. Other awards include the 2022 Sun Man of the Year Awards, 2020 Vanguard Businessperson of the Year and the New Telegraph Philanthropist of the Year 2021.

A recipient of several honorary doctorate degrees from various universities including the University of Benin, Nasarawa State University, Sokoto State University and Crescent University, Abdul Samad Rabiu is a fellow of the Institute of Directors, and he currently holds the prestigious Nigerian national honours of Commander of the Order of the Federal Republic (CFR) and Commander of the Order of the Niger (CON) as well as the highest civilian national honour in Niger Republic.

Yusuf Binji
Managing Director/ Chief Executive Officer

Yusuf Haliru 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 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 announced 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.

Mr. Binji was appointed to the Board of BUA Cement PLC on 23 December 2019.

Board of Directors (Cont.)

Jacques Piekarski
Executive Director / Chief Financial Officer

Jacques Piekarski, a Swiss and French National, born on 6 September 1960 is the Chief Financial Officer/Executive Director of BUA Cement Plc. He is a graduate of the Business School in Lausanne, Switzerland, and holds a Master in Business Administration (MBA) from the Robert Kennedy College, Zurich, Switzerland. Jacques is the President of the Swiss Nigerian Business Council in Lagos.

A seasoned finance professional with over 30 years' experience, Jacques has held several C-suite finance roles across Europe and Africa in various industries including FMCG, Cement, Trading, and Mining. Over the course of his career, Jacques has had significant achievements in setting up finance and operational strategies, re-organising finance functions, financing (loans, bonds, rights issue, debt restructuring), Mergers & Acquisition (M&A), leading transformation, revenue and cost optimisation projects, various expansions and projects including Enterprise Resource Planning (ERP) implementations. Prior to joining BUA Cement, Jacques was Group Chief Financial Officer (CFO) for Tropical General Investment (TGI) Group Nigeria - one of the largest Food and Agric privately owned conglomerates in the country. Earlier on, he was the Group CFO of Flour Mills of Nigeria Plc. Jacques has also garnered an extensive knowledge of the cement industry from his time as the CFO for Holcim in Egypt with a joint venture with the Orascom Group.

Mr. Piekarski was appointed to the Board of BUA Cement Plc on 2 October 2020.

He resigned his position as the Chief Financial Officer on 30 April 2024.

Chimaobi Madukwe
Non-Executive Director

Chimaobi Madukwe, a Nigerian born on 19 May 1961, is the Group Chief Operating Officer 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 was the Group Executive Director in charge of Group subsidiaries. He has had a distinguished career in top executive management, spanning over a period of 20 years, working variously as Group Treasurer, Group General Manager and Group Executive Director. He has wide and varied experiences in the banking, non-bank finance, commercial sectors of the economy spanning many years and was involved in various syndications, financial and management restructuring, debt management and loan workout and business start-ups.

He has specialised training in Negotiation, Strategy, Corporate Finance, Assets & Liability Management (ALM), Structured Finance, Mergers & Acquisitions (M&A), Export Finance, Leasing, SME and has attended several international training programme, symposia/seminars on Iron & Steel development and Cement.

In addition, he has attended specialised training on Negotiations & Strategy in Harvard and M&A in Wharton. A widely travelled executive, Mr. Madukwe sits on the board of several companies.

Mr. Madukwe was appointed to the Board of BUA Cement Plc on 22 May 2014.

Board of Directors (Cont.)

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, Mr. Kabiru Rabiu 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 companies by market capitalization on the NGX.

Mr. Kabiru Rabiu 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.

Mr. Kabiru Rabiu was appointed to the Board of BUA Cement on 22 May 2014.

Finn Arnoldsen
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.

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

Board of Directors (Cont.)

Khairat A. 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. Senator Abdulrazaq-Gwadabe worked with the then Mobil Producing Nigeria as a Counsel in the Legal Department handling matters ranging from compensation matters 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. Senator Gwadabe 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.

Senator Khairat was appointed as an Independent Non-Executive Director on the Board of BUA Cement Plc on 23 December 2019.

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. Alhaji Abubakar has a wide range of experience in Strategy, Leadership and Executive Management, Customer Relations and Management as well as Corporate Finance.

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

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

Board of Directors (Cont.)

Ganiat A. Siyonbola
Independent Non-Executive Director

Ganiat Adetutu 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 Twenty-Eight years, with experiences in Law as the Senior Partner of G. Adetutu Siyonbola & Co. since 1999.

She started her Career as Counsel with Kunle Uthman & Co. between 1996 and 1999. She was an 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 has been a member of the African Bar Association, Pan African Law Union, West African Bar Association, Federacion Internationale De Abogadas (FIDA) and International Bar Association.

She is a Notary Public and member of the Chartered Institute of Arbitrators, U.K.

Hauwa Satomi
Company Secretary/ Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 14 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, and Litigation Portfolio Management. She is an Alumnus of the University of Maiduguri, Nigeria.

She started her career at Ashemi and Co. She later joined Partner at Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 as a Deputy Legal Manager and rose to become a Legal Manager supporting the 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 also worked on the documentation and merger exercise between five of the subsidiaries within the Group, played a key role in the registration of 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 Haliru 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 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 announced 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.

Mr. Binji was appointed to the Board of BUA Cement PLC on 23 December 2019.

Jacques Piekarski
Executive Director / Chief Financial Officer

Jacques Piekarski, a Swiss and French National, born on 6 September 1960 is the Chief Financial Officer/Executive Director of BUA Cement Plc. He is a graduate of the Business School in Lausanne, Switzerland, and holds a Master in Business Administration (MBA) from the Robert Kennedy College, Zurich, Switzerland. Jacques is the President of the Swiss Nigerian Business Council in Lagos.

A seasoned finance professional with over 30 years' experience, Jacques has held several C-suite finance roles across Europe and Africa in various industries including FMCG, Cement, Trading, and Mining. Over the course of his career, Jacques has had significant achievements in setting up finance and operational strategies, re-organising finance functions, financing (loans, bonds, rights issue, debt restructuring), Mergers & Acquisition (M&A), leading transformation, revenue and cost optimisation projects, various expansions and projects including Enterprise Resource Planning (ERP) implementations. Prior to joining BUA Cement, Jacques was Group Chief Financial Officer (CFO) for Tropical General Investment (TGI) Group Nigeria - one of the largest Food and Agric privately owned conglomerates in the country. Earlier on, he was the Group CFO of Flour Mills of Nigeria Plc. Jacques has also garnered an extensive knowledge of the cement industry from his time as the CFO for Holcim in Egypt with a joint venture with the Orascom Group.

Mr. Piekarski was appointed to the Board of BUA Cement Plc on 2 October 2020.

He resigned his position as the Chief Financial Officer on 30 April 2024.

Management Team (Cont.)

Hauwa Satomi
Company Secretary/
Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 14 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, and Litigation Portfolio Management. She is an Alumnus of the University of Maiduguri, Nigeria.

She started her career at Ashemi and Co. She later joined as a partner at Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 as a Deputy Legal Manager and rose to become a Legal Manager supporting the 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 also worked on the documentation and merger exercise between five of the subsidiaries within the Group, played a key role in the registration of 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.

In 2018, he served as the Commissioning Director in the then CCNN for its newly constructed 2MMTPA production line and was subsequently transferred to Obu Cement plant in Okpella where he continued to work as Plant Director from 2018 till date.

Management Team (Cont.)

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.

Nasiru Bashir
Director, Sales and Marketing

Nasiru Bashir holds MBAs from the University of Port Harcourt (2013) and University of Lagos (Transport Management and Planning - 2007). He is a member of the Nigeria Institute of Management and Chartered Member, Chartered Institute of Logistics & Transport. He started his career with Continental Shipyard Ltd, Apapa and moved on to become the Operations Officer with Nigerian Ports Authority in 2001. He had a two-year stint with Ethical Group of Companies, Abuja in 2006 and then moved on to become an Operations Manager with BUA Cement Manufacturing Company Limited, in 2008.

Nasiru has risen through the ranks and advanced to become the General Manager, BUA Cement Manufacturing Company Limited, before his current role as the Director, Sales & Marketing, BUA Cement Plc.

He resigned his appointment as Director, Sales and Marketing on 31 January 2024.

Chikezie Ajaero
Finance Director

Chikezie is a seasoned accountant with an MBA from the prestigious University of Lagos. He is also a Fellow of the Institute of Chartered Accountants of Nigeria with over 26 years post-degree experience in financial reporting and controls.

Chikezie joined BUA in 2005 as Finance Manager of BUA Flour Mills Limited. He was at 1004 Estates Limited and UAC Restaurants (subsidiary of UAC Plc) as General Manager Finance between 2008 to 2012 and later returned to BUA in 2012 as Financial Controller of BUA Flour/Pasta. He assumed the role of General Manager-Finance in Obu Cement Company Ltd in May 2015 and subsequently served as Finance Director BUA Cement, post merger.

He was appointed as the Chief Financial Officer and Executive Director on 26 July 2024.

Management Team (Cont.)

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 Minjibir 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 holding various positions to become 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.

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). Engr. Salau 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.

Management Team (Cont.)

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.


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
S
SOKOTO CEMENT
Weight 50 +_1kg
MANUFACTURED BY
BUA CEMENT
BUA CEMENT PLC
SOKOTO PLANT
KM 10, Kalambaina Road, Sokoto, Nigeria
NIA 444 - 1:2018 CEM II/A-L 42.5N
PORTLAND - LIMESTONE CEMENT
NIA 444 - 1:2018 CEM II/A-L 42.5N
BUA CEMENT
THE KING OF STRENGTH
WWW.BUACEMENT.COM

Directors' Report

We are delighted to present the Audited Financial Statements for the year ended 31 December 2023 as well as the Board of Directors' report on the Company's operations.

1. Legal Form

The Company was incorporated 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 merged with the defunct Cement Company of Northern Nigeria Plc in a scheme of merger on 23 December 2019 and was listed on the NGX on 23 January 2020.

2. Key Activities

The principal activities of the Company are manufacturing, sales, and marketing of cement to the public.

3. Result for the Year

The result of the Company for the year ended 31 December 2023, are detailed on page 86. The summarised results are presented below:

₦'000	31 December 2023	31 December 2022
Revenue from contracts with customers	459,998,999	360,989,105
Profit before tax	67,228,176	120,154,049
Income and deferred tax expense	2,226,574	(19,143,424)
Profit after tax	69,454,750	101,010,625

4. Dividend Declaration

The Board of Directors is recommending a dividend of two naira (₦2.00) per one (1) ordinary share of 50 Kobo each amounting to a total of Sixty-Seven Billion, Seven Hundred and Twenty-Eight Million, Seven Hundred and Eight Thousand, One Hundred and Twenty Naira (₦67,728,708,120) for the 2023 financial year. The proposed dividends, if approved, will be subject to withholding tax deductions at the applicable rate at the time of payment. The recommended dividend is subject to approval by the shareholders at the Annual General Meeting of the Company

5. Unclaimed Dividend And Share Certificates

Shareholders are hereby notified that the Registrars have an unclaimed status for a number of share certificates and dividend warrants. It is recommended that any member who has not yet claimed their dividend visit or write to the office of the Company's registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, Nigeria, or via e-mail at cxc@africaprudential.com. The list of unclaimed dividends is available for viewing at the Registrar's office or on the Company's website, www.buacement.com, and is also attached to this annual report.

The Company's Registrars have informed us that the total outstanding amount of unclaimed dividend as of 31 December 2023, is Six Hundred and Seventy Eight million, Seven Hundred and Ninety Eight thousand, Nine Hundred and Sixty Two Naira, Twenty Three Kobo (₦678,798,962.23).

Report of the Directors (Cont.)

6. Directors and Directors' Interests

In alignment with the regulatory mandates, we present the esteemed individuals who served as Directors during the reporting period. For detailed biographies and the names of the Directors please refer to the corporate information page.

Pursuant to Sections 301 and 385 of the Companies and Allied Matters Act (CAMA), 2020 and the listing rules of the Nigerian Exchange Group, the interest of Directors in the Company's issued share capital is recorded in the register of members and the Register of Directors interest in shares. The interest of the Directors in the shares of the Company as of 31st December 2023 is set out below:

Directors	Representing	31 December 2023	31 December 2022
Direct holding		Number of Shares held	Number of Shares held
Abdul Samad Rabiu, CFR, CON.		18,974,995,225	19,044,995,225
Yusuf Binji		827,093	827,080
Jacques Piekarski		820,000	820,000
Chimaobi Madukwe		845,450	845,450
Kabiru Rabiu		820,000	820,000
Finn Arnoldsen		820,000	820,000
Khairat A. Gwadabe		-	-
Shehu Abubakar		1,000,000	1,000,000
Ganiat A. Siyonbola		3,000	-
Indirect Holding			
Abdul Samad Rabiu CFR, CON.	BUA Industries Limited	13,462,681,069	13,562,681,069
	Damnaz Cement Company Limited	637,403,152	637,403,152
	BUA International Limited	8,137,766	8,162,766
Total		**33,088,352,755**	**33,258,374,742**

7. Statistical Analysis of the Shareholding as at 31 December 2023

Range of Shareholding	Number of Holders	Holder %	Holders Cumulative	Units	Units %	Units Cumulative
1-1000	22,907	61.51%	22,907	8,346,852	0.02%	8,346,852
1001-5000	9,564	25.68%	32,471	20,982,797	0.06%	29,329,649
5001-10000	1,649	4.43%	34,120	12,091,552	0.04%	41,421,201
10001-50000	2,581	6.93%	36,701	57,816,113	0.17%	99,237,314
50001-100000	265	0.71%	36,966	18,628,118	0.06%	117,865,432
100001-500000	190	0.51%	37,156	42,213,604	0.12%	160,079,036
500001-1000000	36	0.10%	37,192	26,519,704	0.08%	186,598,740
1000001-999999999999	50	0.13%	37,242	33,677,755,320	99.45%	33,864,354,060
Total	**37,242**	**100%**		**33,864,354,060**	**100%**	

Report of the Directors (Cont.)

8. Shareholding and Substantial Interest in Shares

The issued and fully paid-up share capital of the Company as of 31 December 2023 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, and Sixty Naira (33,864,354,060) ordinary shares of 50 Kobo each. The Company's register of members as of 31 December 2023 shows that no individual shareholder held more than 5% of the issued share capital of the Company except the following:

Shareholders	Holdings	% of shareholding
Abdul Samad Rabiu CFR, CON.	18,974,995,225	56.03%
BUA Industries Limited	13,462,681,069	39,75%
Total	**32,437,676,294**	**95.79%**

Shareholding Structure as at 31 December 2023

Shareholding by Category

S/N	Holder Type	Holder Count	Holdings	Percentage (%)
1	Corporate	1,730	14,625,224,548	43.19%
2	Foreign	81	324,580	0.00%
3	Government	13	5,883,144	0.02%
4	Individual	35,315	19,159,579,380	56.58%
5	Institution	62	25,272,190	0.07%
6	Joint	29	31,507,084	0.09%
7	Pension	12	16,563,134	0.05%
	Total	**37,242**	**33,864,354,060**	**100%**

9. Property, Plant and Equipment

The annual report contains information relating to changes in property, plant, and equipment during the year ended 31 December 2023, which can be found in Note 15 of the Audited Financial Statements. In the opinion of the Board of Directors, the market value of the Company and its property and equipment are not less than the value disclosed in the Financial Statements.

10. Charitable Donations

Pursuant to Section 43(2) of CAMA 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

Charitable gifts totaled ₦1.06 billion (2022: ₦1.07 billion) were given out in accordance with the Company's policy on social development and the improvement of the community.

A list of the beneficiary organisations and the amounts donated to them are as shown in the table below:

Report of the Directors (Cont.)

Beneficiary	Amount ₦'000
Construction of Afokpella - Camp concrete road - Okpella	221,961
Financial assistance to Alofeli Empowerment Foundation	1,000
Annual development levy - Okpella town	200,000
Annual development levy - Ososo town	16,667
Installation & commissioning of 5 units of 500 kva transformers for Okpella town	40,505
NBA AGM sponsorship	100,000
Scholarship to Okpella students	70,055
Reactivation of two boreholes at Okpella towns- Okhomunyo & Imiekuri	4,761
Renovation classroom at Ikpomaza, Okpella	10,613
Renovation & furnishing -3 classroom blocks at Iddo 2, Okpella	9,354
Renovation of Afokpella Sec. Sch. Okpella	9,310
Renovation of 6 classrooms at Utayokhe School, Okpella	9,555
BUA Cement Scholarship for 2022	11,500
Drilling of 6" diameter solar power borehole & construction	11,767
Supply of 4900*80 leaves and 2810*60 leaves exercise books to schools in the state.	2,998
Construction and install of transformer at Gidan Solanke	14,800
Renovation of burnt girls hostel at AA Raji special school	5,879
7.5KVA inverter 48V, 300W solar panels for Masallacin Shehu	5,026
Installation of 630KVA, transformer and extension of 6.6KV l	6,616
Repair of vandalized transformer at Gidan Bailu	3,278
Extension of street light from trucks park junction to wamakko junction	57,401
Furnishing of multi-purpose hall at BUA cement school, sokoto	7,917
Purchase of 20 units of 4x4 pick up as CRS to Sokoto State Govt Security Task Force	189,768
Renovation of round abouts at Arkilla, Gidan Man-Ada, & NNPC junctions in Sokoto town.	18,387
Settlement for Purchase of Drugs for community Clinics	15,000
Drilling of 6" solar motorized borehole and construction	11,406
Total	**1,055,523**

11. Acquisition of Own Shares

The Company did not acquire any of its own shares during the year under review.

12. Free Float Declaration

BUA Cement Plc with a free float value of Seventy-Sixty Billion, Seventy-Nine Million, Two Hundred and Forty Thousand, Eight Hundred and Eighty-Seven Naira (₦76,079,240,887) as of 31 December 2023 is compliant with the free float requirement for the Main Board of the Nigerian Exchange Limited.

Share Price at end of reporting period:		₦97.00
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 CFR, CON.	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):		
Abdul Samad Rabiu CFR, CON. - Indirect	637,403,152	1.88
Yusuf Binji- Direct	827,093	0.00
Jacques Piekarski- Direct	820,000	0.00
Kabiru Rabiu- Direct	820,000	0.00

Report of the Directors (Cont.)

Share Price at end of reporting period:		₦97.00
Description	Units	Percentage (In relation to Issued Share Capital)
Directors' Shareholdings (direct and indirect):		
Chimaobi Madukwe - Direct	845,450	0.00
Finn Arnoldsen- Direct	820,000	0.00
Shehu Abubakar- Direct	1,000,000	0.00
Ganiat Adetutu Siyonbola	3,000	0.00
Total Directors' Shareholdings	**642,538,695**	**1.90**
Other Influential Shareholdings	-	-
Total Other Influential Shareholdings	-	-
Free Float in Units and Percentage	**784,139,071**	**2.32**
Free Float in Value (₦)	**76,079,240,887**	**-**

13. Human Resources Policy

i. Recruitment

The Company upholds strict adherence to all lawful and regulatory mandates regarding personnel recruitment, ensuring that only competent and suitable individuals are appointed to the Board or top executive positions. This commitment includes following established pre-employment assessments and potential employee screening procedures, as well as ensuring compliance with regulatory standards for all employments.

ii. Employee health, safety and welfare

Employee health, safety and welfare are paramount to the Company's value, as we strive to create physical and emotional well-being for all employees. Our commitment to ensuring a safe and healthy workplace underscores our dedication to supporting the overall well-being of our workforce.

iii. Employment of disabled persons

The Company is firmly committed to providing equal opportunities to all candidates, irrespective of disability status. Our non-discrimination policy extends throughout the entire employment process, ensuring that individuals with disabilities are given fair consideration. Furthermore, we guarantee that all employees, including those with disabilities, are offered equal opportunities for career growth and professional development. This inclusivity serves as a testament to our commitment to fostering a workplace that values diversity and upholds principles of fairness and equity.

iv. Employee involvement and training

Employees' involvement and trainings are core values of our Company, recognizing our employees as invaluable assets whose talents and potentials must be nurtured for their personal growth, career advancement and the Company's success. We place a strong emphasis on providing continuous training and educational opportunities. Our commitment to empowering our workforce includes sponsoring relevant local and international training programs to enhance their skills, enrich their knowledge, and strengthen their capabilities, in alignment with the organisation's objectives.

At BUA Cement Plc, we recognise the pivotal role our employees play in driving the trajectory of our business. We are committed to fostering an inclusive and collaborative work environment where every employee is encouraged to express his or her opinion and contribute to the advancement of our organisation. To achieve this, we have implemented effective communication channels to ensure that our employees are well-informed

Report of the Directors (Cont.)

about the Company's performance and strategic direction. These channels, facilitate the exchange of valuable feedback and ideas, ultimately enhancing our operational processes.

Our regular general staff meetings serve as a platform for employees to share ideas and perspectives, with certain recommendations being elevated to the Board for consideration. Furthermore, we have implemented an incentive scheme to promote employee engagement in business ownership, encouraging a deeper commitment to the Company's success. These measures ensure that all employees are actively involved in our business and are vital to the Company's continued growth and prosperity.

14. Directors' Interest in Contracts

During the year under review, none of the Directors informed the Company, in accordance with Section 303 of CAMA 2020, of their membership or shareholding in specific companies that could be deemed interested parties in any contracts the Company was engaged in as of 31 December 2023.

15. Events after Reporting Period

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 of 31 December 2023 and on its profit or loss and other comprehensive income for the period. After the reporting period, Jacques Piekarski resigned from the positions of Chief Finance Officer and Executive Director of the Company, effective 30 April 2024, to relocate to his home country. Subsequently, Chikezie Ajaero was appointed as the Chief Finance Officer and Executive Director.

16. Approval of Financial Statements

The Directors have approved the Financial Statements for the year ended 31 December 2023 on 28 February 2024, for issuance.

17. Independent Auditor

During the year under review, PricewaterhouseCoopers ("PwC") served as the Company's Independent Auditor. In line with Section 401 of CAMA 2020, PwC has indicated their willingness to continue being the Company's Independent Auditor. A resolution will be presented at the General Meeting for 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
28 March 2024

Notice of the 8th Annual General Meeting

BUA CEMENT PLC RC 119 3879

NOTICE OF THE 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of BUA Cement Plc ("the Company") will hold on **Thursday, 29th August 2024**, at the Congress Hall, Transcorp Hilton Hotel, No. 1, Aguiyi Ironsi Street, Maitama, Abuja at 11:00 am to transact the following business:

ORDINARY BUSINESS

1. To lay before the Members, the Audited Financial Statements for the year ended 31st December 2023, together with the reports of the Directors, External Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To ratify the appointment of Ms Ganiat Adetutu Siyonbola as an Independent Non-Executive Director.
4. To ratify the appointment of Chikezie Ajaero as Executive Director.
5. To re-elect the following Non-Executive Directors retiring by rotation:
   i. Chimaobi Madukwe
   ii. Kabiru Rabiu
   iii. Abdul Samad Rabiu, CFR
6. To authorize the Directors to fix the remuneration of the Auditors for the 2024 Financial year.
7. To elect members of the Audit Committee.
8. To disclose the remuneration of the managers of the Company.

SPECIAL BUSINESS

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

    That in compliance with Rule 20.8(a) of the Nigerian Exchange Limited 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 such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence 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.

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. **NO VOTING BY INTERESTED PARTIES**

   In accordance with the provisions of Rule 20.8(c) of the Rules governing Related Party Transaction of Nigerian Exchange Limited, interested parties have undertaken to ensure that their proxies, representatives, or associates abstain from voting on resolution 10 above.

2. **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.

3. **STAMPING OF PROXY**

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

4. **CLOSURE OF REGISTER OF MEMBERS**

   The Register of Members will be closed from **12th to 16th August 2024** for the purpose of paying dividend and updating the Register.

5. **DIVIDEND PAYMENT**

   If the Dividend payment of ₦2.00 (Two Naira) per share recommended by the Directors is approved, dividend will be posted electronically on **Thursday, 29th August, 2024** to all the Shareholders whose names appear in the Company's Register of Members as at the close of business on **Friday 9th August 2024**, 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**

   Pursuant to Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising of three Shareholders and two Non-Executive Directors. By virtue of Section 404(6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Nigerian Code of Corporate Governance, 2018 stipulates that all members of the Audit Committee should be financially literate and be able to read and understand the Financial Statements. Consequently, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination.

7. **RIGHT OF SHAREHOLDERS TO ASK QUESTIONS**

   Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting on any item contained in the Annual Report and Accounts, and such 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 for it via email to info@Africaprudential.com.

9. **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATE**

   Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the possession of the Registrars. A list of all unclaimed dividend will be circulated with the Annual Report and Financial Statements. Any member affected by this notice is advised to contact the Company's Registrar at 220B Ikorodu Road, Palmgrove Bus Stop, Somolu, Lagos, or via email at info@africaprudential.com to lodge a claim.

10. **E-DIVIDEND**

    Notice is hereby given to all Shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend payment in line with the directives of the Securities and Exchange Commission. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders to furnish particulars of their accounts to the Registrar as soon as possible.

11. **DIRECTORS' PROFILE**

    The profiles of the Directors are provided in the Annual Report and also available on the Company's website at https://www.buacement.com.

12. **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 the Company's website at https://www.buacement.com.

HEADQUARTERS
5th Floor, BUA Towers, PC 32, Churchgate Street
P. O. Box 70106, Victoria Island, Lagos, Nigeria

OBU FACTORY
KM 164, Benin-Okene Expressway, Okpella
Edo State, Nigeria, info@buacement.com

SOKOTO FACTORY
KM 10, Kalambaina Road, P.M.B. 02166, Sokoto, Sokoto State,
Nigeria. T. +234 (0) 808 666 4470 - 71. E. info@buacement.com

www.buacement.com

Risk Management

A. Introduction

Our Enterprise Risk Management Framework (ERM) showcases how we appraise risk at BUA Cement, with the Board ensuring proper alignment of policies and procedures between the overall strategy and risk appetite.

BUA Cement adopts a top-down, bottom-up approach, to identify and manage risks, led by the members of the Management's Risk Committee who are drawn from various units across the Company and are well-equipped to identify the risk factors resulting from business activities. Furthermore, these members assess both the global and domestic environment for trends, which might constitute possible disruptions and opportunities, as the Company pursues its objectives.

The Risk Management Committee discusses with various risk owners to mitigate or take advantage of possible risk areas, pertaining to probable impacts. Our Enterprise Risk Management Framework is fully aligned to the Risk Management Policy issued in 2020.

B. Our ERM Framework

Through our ERM Framework, we identify, assess, mitigate and monitor risks, using defense lines, which consist of: The Board of Directors, the Risk Management Committee and the Management's Risk Committee (Figure 1). In addition, the external auditors provide their assessment to the Statutory Audit Committee, Risk Management Committee and the Board Audit Committee.

Figure 1: ERM Framework

To ensure proper reinforcement and alignment for effectiveness, the governance structure for risk management is as follows:

1. Board of Directors

The Board is made up of nine members, which consists of a Chairman, three Non-Executive Directors, three Independent Non-Executive Directors and two Executive Directors. The Board is responsible for the determination of the vision, mission and strategy formulation of BUA Cement, and serves as a guide for setting policies to the Management for current and future operations of the Company. It also reviews and evaluates current and future opportunities and threats across the global and domestic environment, along with setting and authorising policy, management objectives, whilst ensuring these are implemented.

2. Risk Management Committee

The Committee comprises five members, 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

There are two Committees, one at each plant, consisting of over 10 members and headed by the risk manager, who is a member of the Management Team. Members of the Committee are drawn from various operational units of the Company and are responsible for identifying various probable risks. These risks are assessed, analysed and rated (low, medium or high) by the Committee at its monthly meeting. Besides being responsible for the review of existing risk factors and identifying new risks, the Committee is equally tasked with proposing appropriate mitigants.

Furthermore, they are responsible for the preparation and periodic review of the Company's risk register, for changes to potential risks and how such risks could impact profitability or business continuity. A quarterly report with recommendations is prepared and sent to the Board through the Risk Management Committee.

Risk Management (Cont.)

C. Risk Management Process

1. Risk Identification

This is the first step in our risk management process, and it 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 possible risks and who should be responsible for the risk(s) identified. Information gathered is deliberated upon by the Management's Risk Committee.

2. Risk Assessment

This involves the careful examination of risks, root causes, mitigation controls, likelihood of occurrence and impact, should such identified risks crystalise. Risks are assessed on an inherent and a residual basis.

3. Risk Mitigation

Having identified and assessed the inherent risks, the Risk Management Committee selects the appropriate risk response technique (i.e. avoiding, accepting, reducing or transferring) in line with the Company's risk tolerance and appetite. A quarterly report with recommendations is prepared by the Management's Risk Committee to the Board, through the Risk Management Committee. The Board deliberates and takes decisions to be implemented by the Management Team.

4. Monitoring and Control

Monitoring deals with the efficacy of measures and responses to identified risk with modifications, where necessary. It also includes the measurement of performances against set targets, the adherence to broader issues such as, BUA Cement's philosophy, which encompasses the culture and its values. The monitoring of activities is conducted by the Management's Risk Committee, who review, conduct monthly assessments and issue quarterly reports to the Board through the Risk Management Committee.

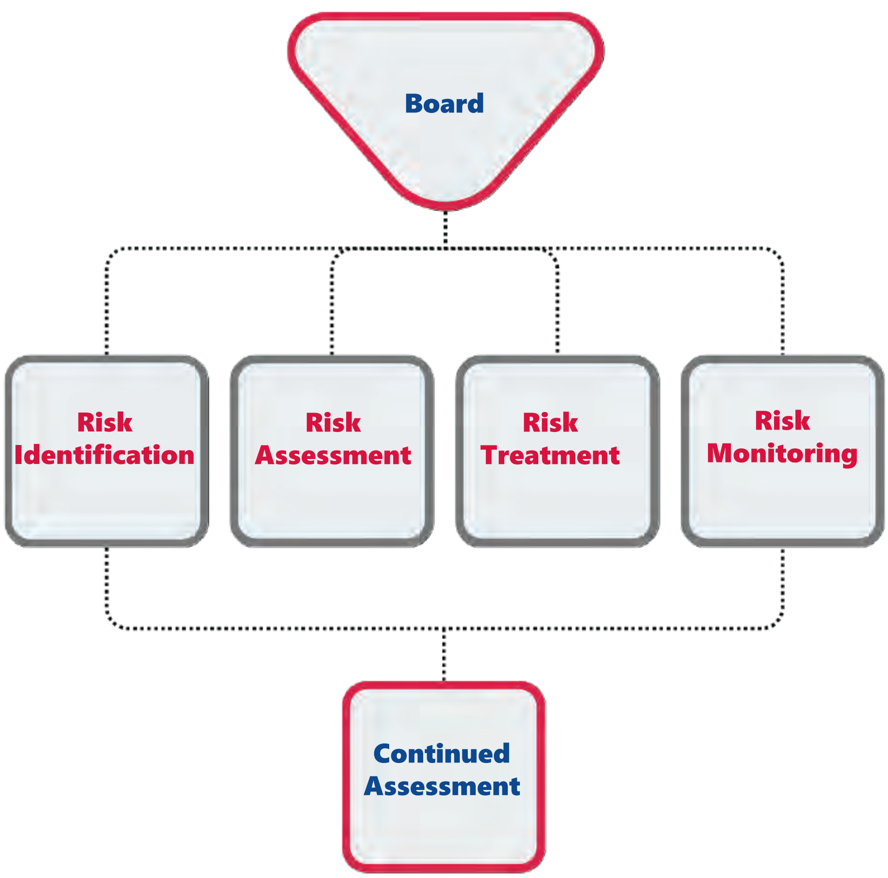


Figure 2: BUA Cement's Risk Mitigation Process

Risk Management (Cont.)

D. Risk Incidents and Review in 2023

During the year, the Risk Management Committee monitored events across the domestic and international environment, alongside their implications for the business. In particular were energy supply shortages, foreign currency availability, as well as health and safety.

For proper assessment of the impact of these events, the Management's Risk Committee focused on risk incidences which were categorised as follows: strategy, business, operational, financial and reputational risks. The Committee was particularly focused on strategy, business, operational and market risks in 2023 along the following areas:

Energy & Power Generation

Given the high energy demand required for cement production, energy security and availability, led by a multi-fuel system plays a significant role in our production process. To guard against supply shortages, which can impede production targets, demand requirements, alongside responsibilities to our stakeholders, certain mitigating actions were pursued during the year.

Risk mitigation

- Continued the onboarding of additional marketers of diesel and other energy products to increase the supply base.
- Installed additional gas-powered generators (70MW each) to sustain increased activity from the addition of the 3mmtpa integrated plants at Sokoto and Obu.
- Developing a coal milling plant at one of our plant locations, with the aim of diversifying fuel supplies.
- Exploring sources of alternative energy.

Production & Sustaining Demand

Addressing high cement prices, through product availability remains one of the core objectives of BUA Cement. By achieving this, we not only solve the housing and infrastructural needs of the country and parts of Sub-Saharan Africa, but improve the well-being of individuals and communities. Most importantly, foster economic growth and cooperation among African Countries. The Company adopted the following risk mitigants during the year.

Risk mitigation

- Purchased additional quarry equipment to increase availability of limestone for production.
- Purchased additional trucks to aid the distribution of finished products (cement) to customers.
- Acquired land for quarry expansion to support the growing raw material needs for cement production.

Risk mitigation continued.

- Ensured adequate inventory management to avoid stock-outs and the eventual shut down of the plants.
- Continued priority given to Total Quality Management (TQM) and continued improvement.
- Recruitment of machine operators to cater for the expanded fleets of quarry machines and operations.

Supply Chain

Amid foreign currency scarcity and the depreciation of the Naira, the availability of spares parts and stock items is important, to avoid a shut down in operations. To this end, several actions were adopted during the year.

Risk mitigation

- Sourced foreign exchange from diverse sources to ensure the continued supply of spares and parts.
- Worked closely with financial institutions on the opening of letters of credits.
- Created the Department of Strategic Supplies to harmonise and strengthen the supply chain with our partners.
- Sourcing of foreign exchange (FX) from the Central Bank of Nigeria and the Investors and Exporters window gives the ability to access funds at a cheaper rate and pay our suppliers.
- Increased local fabrications of some spare parts to reduce FX exposure due to procurement of spare parts.

Risk Management (Cont.)

Environment, Health and Safety

The environment, alongside the safety and well-being of our staff and the community in which we operate from remains an important aspect of our operations. During the year, we took important steps aimed at strengthening health and safety across the business.

Risk mitigation

- Continued the prioritisation of good community relations.
- Embarked on awareness programmes to promote well-being and safety.
- Increased compliance checks and safety protocols.
- Continued the implementation of environment, social and safety best practices.

Foreign Exchange Volatility

During the year, we witnessed the devaluation of the Naira and its continued depreciation, which resulted in a major negative shock for most organisations. Companies with huge outstanding foreign exchange exposures recorded foreign exchange losses which caused a decline in profit and in a few cases, the wipe out of capital. In addressing this risk, the Company adopted the below risk mitigation strategies.

Risk mitigation

- Held foreign exchange deposit balances, which offset some of the losses arising from foreign exchange obligations exposed to.
- Accelerated the settlement of some foreign exchange obligations.
- Direct involvement of the BUA London office to facilitate FX transaction payments on behalf of BUA Cement.

Financial Information

Financial Information

Statement of Directors' Responsibilities

The Companies and Allied Matters Act 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 judgments 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 International Financial Reporting 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 CFR, CON.
Chairman
FRC/2014/IODN/00000010111

27 February 2024

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

27 February 2024

Jacques Piekarski
Chief Financial Officer
FRC/2021/003/00000023724

27 February 2024

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 31 December 2023.

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 31 December 2023.

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

27 February 2024

Jacques Piekarski
Chief Financial Officer
FRC/2021/003/00000023724

27 February 2024

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 2023:

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 2023 is effective.

iv. BUA Cement Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, 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 2024

Jacques Piekarski
Chief Financial Officer
FRC/2021/003/00000023724

27 February 2024

Management's Certification on Internal Control over Financial Reporting

We, Yusuf H. Binji and Jacques Piekarski, 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, summarize 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 2024

Jacques Piekarski
Chief Financial Officer
FRC/2021/003/00000023724

27 February 2024

Report of the Audit Committee

The Audit Committee is pleased to present this report for the financial year ended 31 December 2023 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. At the October 2023 meeting, Shehu Abubakar was replaced by Ganiat Adetutu Siyonbola.

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				
	22/02/23	26/04/23	18/07/23	23/10/23	12/12/23
Ajibola Ajayi	P	P	P	P	P
Kabiru Tambari	P	P	P	P	P
Oderinde Taiwo	P	P	P	P	P
Kabiru Rabiu	P	P	P	P	P
Shehu Abubakar	P	P	P	P	-
Ganiat Adetutu Siyonbola	-	-	-	-	P

P= Present

Roles and responsibilities

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

Statutory duties

The Audit Committee's role and responsibilities include statutory duties as stipulated by the Companies and Allied Matters Act and further responsibilities assigned to it by the Board.

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

Report of the Audit Committee (Cont.)

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 2023.

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 International Financial Reporting 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:

i. Going concern

The Audit Committee reviews the going concern status of the Company at each meeting and makes recommendations to the Board.

ii. Governance of risk

The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting.

iii. Internal audit

The Audit Committee is responsible for ensuring that the Company's internal audit function is independent and has the necessary resources, standing and authority within the Company to enable it to discharge its duties.

The Audit Committee considered and recommended the internal audit charter for approval by the Board. The internal audit function's annual audit plan was approved by the Audit Committee.

iv. Evaluation of the expertise and experience of the Chief Financial Officer and finance function

The Audit Committee has satisfied itself that the Chief Financial Officer has appropriate expertise and experience.

The Audit Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Report of the Audit Committee (Cont.)

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 2023 are adequate;
- We are satisfied with the External Auditors' Management Report for the year ended 31 December 2023, as well as the response of the Management thereto.

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

26 February 2024

AUDIT COMMITTEE MEMBERS:

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

Ajibola Ajayi
Chairman - Independent shareholder

Oderinde Taiwo
Member - Independent shareholder

Kabiru 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 2023;
- the statement of financial position as at 31 December 2023;
- 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Cont.)

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Provision for decommissioning liabilities
(Refer to notes 2.15, 4.2 and 23 to the financial statements)
As at 31 December 2023, the directors recognised provision for decommissioning liabilities amounting to N25.1 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.

</td><td>
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 accounting consulting experts, we checked the estimated future restoration costs by testing the appropriateness of the risk-free discount rate 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.

</td></tr>
</table>

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 2023 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 (Cont.)

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 2023 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 International Financial Reporting 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent Auditor's Report (Cont.)

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- 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 branches 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 of Nigeria, 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 2023. 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 29 February 2024.

Oladele Oladipo

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

29 February 2024

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

Independent Practitioner's Report

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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 2023, 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, 2023, 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 controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Independent Practitioner's Report (Cont.)

Other matter

We also have audited, in accordance with the International Standards on Auditing, financial statements of BUA Cement Plc and our report dated 29 February 2024 expressed an unqualified report.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0466059

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Oladele Oladipo
FRC/2013/ICAN/00000002951

29 February 2024

Statement of Profit or Loss and Other Comprehensive Income

₦'000	Notes	31 December 2023	31 December 2022
Revenue from contracts with customers	5	459,998,999	360,989,105
Cost of sales	6	(276,043,486)	(198,379,891)
Gross profit		**183,955,513**	**162,609,214**
Administrative expenses	7(a)	(12,296,007)	(10,492,855)
Foreign exchange loss	7(b)	(69,956,047)	(5,501,109)
Distribution and selling expenses	8	(29,068,304)	(19,681,565)
Impairment write back on financial assets	10	(45)	276
Other income	11	2,062,130	2,785,855
Operating profit		**74,697,240**	**129,719,816**
Finance income	12(a)	12,882,124	1,941,453
Finance cost	12(b)	(19,936,889)	(10,553,365)
Net finance cost		(7,054,765)	(8,611,912)
Minimum tax charge	13(a)	(414,299)	(953,855)
Profit before tax		**67,228,176**	**120,154,049**
Income and deferred tax credit/(expense)	13(a)	2,226,574	(19,143,424)
Profit after tax		**69,454,750**	**101,010,625**
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)	(522,951)	32,489
Other comprehensive income for the year (net of tax		(522,951)	32,489
Total comprehensive income for the year		**68,931,799**	**101,043,114**
Earnings per share			
Basic and diluted (Naira)	28	2.05	2.98

The results shown above relate to continuing operations.

The notes on pages 92 to 141 are an integral part of these financial statements

Statement of Financial Position

₦'000	Notes	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	15	803,502,888	669,013,354
Right-of-use assets	16(a)	115,627	89,141
Intangible assets	17	12,821,664	7,138,904
		816,440,179	**676,241,399**
Current assets			
Inventories	18	85,805,780	52,468,290
Cash and cash equivalents	19	225,077,529	48,046,647
Trade receivables	20	63,615	17,570
Prepayments and other assets	21	84,994,536	80,690,386
Due from related parties	30(b)	3,304,738	16,547,592
		399,246,198	**197,770,485**
Total assets		**1,215,686,377**	**874,011,884**
Liabilities			
Non-current liabilities			
Bank borrowings	24	295,467,446	44,740,089
Debt security issued	25	114,124,633	113,932,939
Employee benefit obligations	14	4,572,204	3,954,979
Deferred tax liabilities	13c	13,783,316	29,696,822
Government grant	26(a)	1,996,272	2,810,501
Provision for decommissioning liabilities	23	23,480,729	11,838,213
		453,424,600	**206,973,543**
Current liabilities			
Lease liabilities	16(a)	73,867	55,788
Contract liabilities	5(b)	105,115,874	92,166,502
Trade and other payables	22	81,964,317	79,066,287
Due to related parties	30(b)	51,118,269	-
Current income tax liabilities	13(b)	13,564,271	2,170,341
Bank borrowings	24	122,689,462	80,695,381
Government grant	26(a)	862,495	910,761
Provision for decommissioning liabilities	23	1,649,072	860,739
		377,037,627	**255,925,799**
Total liabilities		**830,462,227**	**462,899,342**

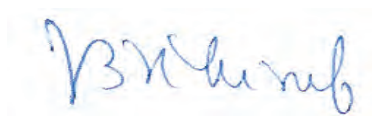
Statement of Financial Position (Cont.)

₦'000	Notes	31 December 2023	31 December 2022
Equity attributable to shareholders			
Ordinary share capital	27	16,932,177	16,932,177
Retained earnings		169,518,613	194,884,054
Reorganisation reserve		200,004,179	200,004,179
Defined benefit plan reserve		(1,230,819)	(707,868)
Total equity		**385,224,150**	**411,112,542**
Total equity and liabilities		**1,215,686,377**	**874,011,884**

The notes on pages 92 to 141 are an integral part of these financial statements.

The Financial Statements on pages 86 to 141 were approved and authorised for issue by the Board of Directors on 27 February 2024 and were signed on its behalf by:

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



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

Jacques Piearski
Chief Financial Officer
FRC/2021/003/00000023724

Chikezie Ajaero
Finance Director
FRC/2014/ICAN/00000010408

Statement of Changes in Equity

₦'000	Share capital	Defined benefit plan reserve	Retained earnings	Reorganisation reserve	Total
Balance at 1 January 2022	**16,932,177**	**(740,357)**	**181,920,749**	**200,004,179**	**398,116,748**
Comprehensive income					
Profit for the year	-	-	101,010,626	-	101,010,626
Other comprehensive income for the year (Note 14b)	-	32,489	-	-	32,489
Total comprehensive income	**-**	**32,489**	**101,010,626**	**-**	**101,043,115**
Transactions with owners:					
Dividend declared and paid to BUA Cement Plc's shareholders	-	-	(88,047,321)	-	(88,047,321)
	-	-	(88,047,321)	-	(88,047,321)
Balance at 31 December 2022	**16,932,177**	**(707,868)**	**194,884,054**	**200,004,179**	**411,112,542**
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 income 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**

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

The notes on pages 92 to 141 are an integral part of these financial statements.

Statement of Cash Flows

₦'000	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit before income tax		67,228,176	120,154,049
Adjustment for non-cash items:			
Net impairment loss/(gain) on financial assets	10	45	(276)
Write-off of trade receivables	20(ii)	3,238	-
Unrealised foreign exchange loss	7	69,956,047	5,501,112
Unrealised foreign exchange gain on cash and cash equivalents		(43,890,346)	(38,321)
Decommissioning liabilities adjustment	6	-	(1,052,726)
Amortisation of government grant	11	(862,495)	(910,761)
Modification gain	11	-	(1,432,561)
Write-off of property, plant and equipment	15	-	139,657
Depreciation of property, plant and equipment	15	24,986,201	22,135,220
Transfer of property plant and equipment	15	-	316,731
Amortisation of intangible assets	17	411,112	351,178
Finance income	12(a)	(12,882,124)	(1,941,453)
Finance cost	12(b)	19,936,889	10,553,365
Minimum tax	13(a)	414,299	953,855
Defined benefit plan amendment	14(b)	-	(85,046)
Current service cost - Defined benefit plan	14(b)	338,639	348,380
Actuarial gain on defined benefit obligation	14(b)	746,239	(46,414)
Remeasurement of defined benefit obligation	14(b)	(522,951)	32,489
Deferred tax (credit)/charge on actuarial loss	13(c)	(224,122)	13,925
Planned participant contribution	14(b)	(286,092)	-
Depreciation of right-of-use asset	16(b)	96,695	73,441
Operating cash flows before movements in working capital		**125,449,451**	**155,065,844**
Movement in working capital:			
Increase/(Decrease)in contract liabilities	5(b)	12,949,372	13,580,264
(Increase)/Decrease in inventories	18	(33,337,490)	(13,400,251)
(Increase)/Decrease in trade and other receivables	20	(49,328)	101,692
(Increase)/Decrease in prepayments and other assets	21	(4,304,150)	(42,792,534)
Increase/(Decrease) in trade and other payables	22(b)	(15,016,489)	50,118,117
(Increase)/Decrease in amounts due from related parties	30(d)	13,242,854	(11,771,397)
Increase/(Decrease) in amounts due to related parties	30(e)	51,118,269	(1,663,268)
Cash generated from operations		**150,052,489**	**149,238,467**
Tax paid	13(b)	(2,068,880)	(1,593,646)
Defined benefit paid during the year	14(b)	(380,905)	(176,679)
Net cash flow from operating activities		**147,602,705**	**147,468,141**
Investing activities			
Purchase of property, plant and equipment	15(c)	(110,907,768)	(101,231,934)
Interest recieved	12(a)	12,882,124	1,941,453
Purchase of intangible assets	17	(6,093,873)	(2,146,820)
Net cash flows used in investing activities		**(104,119,517)**	**(101,437,301)**

Statement of Cash Flows (Cont.)

₦'000	Notes	31 December 2023	31 December 2022
Financing activities			
Dividend paid to equity holders		(94,820,191)	(88,047,321)
Unclaimed dividends received	22	24,615	214,794
Interest payment on overdraft	12(b)	(2,318,651)	(457,933)
Principal and interest repayment on lease liability	16(a)	(116,688)	(74,260)
Proceeds from borrowings	24	325,322,449	178,449,460
Principal repayment of borrowings	24	(93,746,240)	(136,982,278)
Interest repayment on borrowings	24	(36,062,945)	(4,838,374)
Interest repayment on debt securities	25	(8,625,000)	(8,625,000)
Net cash flows generated/(used in) from financing activities		**89,657,350**	**(60,360,912)**
Net increase/(decrease) in cash and cash equivalents		133,140,538	(14,330,072)
Cash and cash equivalents at 1 January		48,046,647	62,338,398
Effects of exchange rate differences on cash and cash equivalents		43,890,343	38,321
Cash and cash equivalents at 31 December	19	**225,077,528**	**48,046,647**

The notes on pages 92 to 141 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 CFR, CON.

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, Abdul Samad Rabiu CFR, CON. 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 the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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 - plan assets 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.

Notes to the Financial Statements (Cont.)

The Company reported a profit after tax of ₦69.45 billion for the year ended 31 December 2023 (2022: ₦101.01 billion). At the statement of financial position date, the Company had a net asset of approximately ₦385.22 billion (2022: ₦411.11 billion) and net current assets of approximately ₦22.2 billion (2022: net current liabilities of ₦59.79 billion).

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 2023.

(a) IFRS 17: Insurance Contracts

(b) Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

(c) Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

(d) Amendment to IAS 12 - International tax reform

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 2023 reporting periods and have not been early adopted by the Company. These new standards and interpretations are set out below:

(a) Amendment to IAS 7 and IFRS 7 - Supplier finance [Effective from January 1 2024]

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

This amendment is not expected to have a material impact on the financial statement of the Company because they do not have any supplier finance arrangement.

(b) Amendment to IFRS 16 – Leases on sale and leaseback [Effective 1 January 2024]

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This amendment is not expected to have a material impact on the financial statement of the Company because they do not have any lease on sale and leaseback.

Notes to the Financial Statements (Cont.)

(c) Amendments to IAS 21 - Lack of Exchangeability [Effective from January 1 2025]

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendment is not expected to have a material impact on the financial statements of the Company as the Company has foreign currency transactions in US Dollars and Euro that are readily exchangeable.

(d) Amendment to IAS 1 – Non current liabilities with covenants [Effective 1 January 2024]

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

It clarifies that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

This amendment may have a material impact on the financial statements of the Company if it fails to meet the requirements of the covenants of its loan arrangements.

(e) IFRS S1, 'General requirements for disclosure of sustainability-related financial information [Effective 1 January 2024]

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity.

This Standard is expected to have a material impact on the financial statements of the Company as it may influence an entity's cash flows, access to finance or cost of capital over the short, medium or long term through current and anticipated effects.

(f) IFRS S2, 'Climate-related disclosures' [Effective 1 January 2024]

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. To achieve this objective, an entity is required to refer to and consider the applicability of industry-based disclosure topics as defined in the Industry-Based Guidance on Implementing IFRS S2.

This Standard is expected to have a material impact on the financial statements of the Company as it would be expected to disclose metrics on greenhouse gas emissions and other climate-related risks and opportunities.

Notes to the Financial Statements (Cont.)

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.

(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.

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

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.)

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 end of 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 reviews 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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred. 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.

Notes to the Financial Statements (Cont.)

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.

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.

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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.

Notes to the Financial Statements (Cont.)

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.

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% (2022: 15-20%) with all other variables held constant.

₦'000	31 December 2023 (USD)	31 December 2022 (EUR)	31 December 2023 (USD)	31 December 2022 (EUR)
Foreign currency denominated balances				
Trade payables	(56,175,442)	(804,903)	(34,997,412)	(573,146)
Cash and cash equivalents	151,589,634	104,117	77,908	687,486
Borrowings	(264,097,120)	-	-	-
	(168,682,928)	**(700,786)**	**(34,919,504)**	**114,340**
Effect of:				
15% increase in exchange rate (2022: 15%)	(25,302,439)	(105,118)	(5,237,926)	17,151
15% decrease in exchange rate (2022: 15%)	25,302,439	105,118	5,237,926	(17,151)
Effect of:				
50% increase in exchange rate (2022: 20%)	(84,341,464)	(350,393)	(17,459,752)	57,170
50% decrease in exchange rate (2022: 20%)	84,341,464	350,393	17,459,752	(57,170)

Notes to the Financial Statements (Cont.)

The aggregate net foreign exchange losses recognised in profit or loss was ₦69.96 billion (2022: ₦5.5 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 2023	31 December 2022
Due to IFC	SOFR + 5.5%	264,097,120	-
Due to First bank of Nigeria Plc	2023: 19% 2022: 17%	17,383,187	24,604,473
Due to First bank of Nigeria Plc	SOFR + 10%	86,807,608	61,254,259
Due to Union Bank of Nigeria	SOFR + 10%	4,543,453	3,300,109
Due to Coronation Merchant Bank	SOFR + 15%	2,508,367	6,540
Due to Sterling Bank	SOFR + 9.5%	4,535,550	-
Due to FBNQuest Merchant Bank	SOFR + 8%	945,662	-
		380,820,947	**89,165,381**

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 2023	31 December 2022
Effect of 5% increase in interest rates (2022: 5%)	(19,041,047)	(2,254,117)
Effect of 5% decrease in interest rates (2022: 5%)	19,041,047	2,254,117

Notes to the Financial Statements (Cont.)

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.

There is no impairment on amount due from related parties because it is not a financial asset (Note 30b).

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 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**

Notes to the Financial Statements (Cont.)

The expected loss rates as at 31 December 2022 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*	17,595	-	-	-	3,238	20,833
Default rate	0.14%	0.43%	0.81%	1.24%	100%	-
Lifetime ECL	25	-	-	-	3,238	3,263
Net trade receivables	**17,570**	**-**	**-**	**-**	**-**	**17,570**

*The reconciliation of the gross carrying amount for trade receivables is as follows:

₦'000	2023	2022
Gross carrying amount as at 1 January	**20,833**	**122,524**
Additions during the year	4,026,935	400,635
Rebates offered to customers in the year	-	(6,579)
Receivables written off in the year	(3,238)	-
Receipts for the year	(3,980,845)	(495,747)
Gross carrying amount as at 31 December	**63,685**	**20,833**

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 ₦152.7 billion (2022: ₦12.6 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.

Notes to the Financial Statements (Cont.)

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**

₦'000	Less than 6 months	6 - 12 months	Over 12 months	Total
At 31 December 2022				
Financial liabilities:				
Trade and other payables (Note 22)	29,278,456	27,427,421	1,081,179	57,787,056
Bank borrowings (Note 24)	86,445,381	9,376,707	29,613,382	125,435,470
Debt security issued (Note 25)	-	-	113,932,939	113,932,939
Lease liabilities (Note 16)	-	55,788	-	55,788
	115,723,837	**36,859,916**	**144,627,500**	**297,211,253**

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 2023		At 31 December 2022	
	Amortised cost	**Fair value**	**Amortised cost**	**Fair value**
Financial assets				
Trade receivables	63,615	63,615	17,570	17,570
Cash and cash equivalents	225,077,529	225,077,529	48,046,647	48,046,647

Notes to the Financial Statements (Cont.)

3.2 Fair value estimation (continued)

₦'000	At 31 December 2023		At 31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Financial liabilities				
Trade and other payables	(59,125,547)	(59,125,547)	(58,368,156)	(58,368,156)
Due to related parties	(51,118,269)	(51,118,269)	-	-
Short-term bank borrowings	(122,689,462)	(122,689,462)	(65,568,674)	(65,568,674)
Long-term bank borrowings	(295,467,446)	(298,704,161)	(59,866,796)	(59,866,796)
Current lease liabilities	(73,867)	(73,867)	(55,788)	(55,788)
Debt security issued	(130,940,135)	(130,940,135)	(113,932,939)	(113,932,939)
	(434,273,582)	**(437,510,296)**	**(249,728,136)**	**(249,728,136)**

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.

The gearing ratios at year end are as follows:

₦'000	Notes	31 December 2023	31 December 2022
Debt	i	532,281,541	239,368,409
Cash and cash equivalents		(225,077,529)	(48,046,647)
Net debt		307,204,012	191,321,762
Equity	ii	385,224,150	411,112,542
Gearing ratio		**80%**	**47%**

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.

Notes to the Financial Statements (Cont.)

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 2023.

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.)

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 2023	At 31 December 2022
Present value of decommissioning liability	25,129,801	12,698,952
Effect of 5% increase in inflation rate	1,256,490	634,948
Effect of 5% decrease in inflation rate	(1,256,490)	(634,948)
Effect of 10% increase in inflation rate	2,512,980	1,269,895
Effect of 10% decrease in inflation rate	(2,512,980)	(1,269,895)

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 2023	31 December 2022
Sale of bagged cement	458,047,888	359,075,378
Sale of bulk cement	1,951,111	1,913,727
	459,998,999	**360,989,105**

Transactions with a single customer (I.C.O. Odigwe & Sons Nigeria Limited) that contributed more than 10% of the total revenue from the sale of cement in 2023 is ₦55.4 billion (2022: Nil). The revenue from customers are recognised at a point in time when control is transferred to the customer.

Notes to the Financial Statements (Cont.)

5. Revenue from contracts with customers (continued).

(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 2023	31 December 2022
Nigeria	456,075,597	356,609,466
Outside Nigeria	3,923,402	4,379,639
	459,998,999	**360,989,105**

(b) Liabilities relating to contracts with customers

The Company has recognised the following liabilities relating to contracts with customers:

₦'000	31 December 2023	31 December 2022
Contract liabilities	105,115,874	92,166,502

The following shows the movement in contract liabilities during the year:

₦'000	31 December 2023	31 December 2022
Balance as at 1 January	**92,166,502**	**78,586,238**
Payments received in advance of satisfaction of performance obligation	516,046,601	411,001,174
Revenue recognised (net of rebates and discounts)	(459,998,999)	(360,989,105)
Refund, taxes and other transfers	(43,098,229)	(36,431,805)
	105,115,875	**92,166,502**

Notes to the Financial Statements (Cont.)

6. Cost of sales

₦'000	31 December 2023	31 December 2022
Raw materials	19,588,675	24,984,085
Energy consumption	123,269,164	91,185,377
Lubricants	1,248,384	890,854
Quarry fees and royalties	864,109	644,093
Staff cost (Note 9)	6,413,796	4,573,394
Amortisation of intangible assets (Note 17)	377,585	316,108
Depreciation of property, plant and equipment (Note 15)	18,920,415	17,218,433
Depreciation of right of use (Note 16)	19,466	-
Other repairs and maintenance expenses	12,732,150	9,040,814
Operation and maintenance service charges	87,415,117	46,440,450
Management and technical support fees	-	628,272
Water supply	234,132	301,457
Explosives	582,465	792,896
Communication expenses	212,356	141,489
Printing and stationery	4,382	-
Subscription dues	5,619	-
Transportation and travelling expenses	291,992	43,396
Refractories cost	1,632,614	925,142
Insurance	1,039,212	572,539
**Other expenses	1,191,853	733,818
Subtotal (before decommissioning adjustment)	**276,043,486**	**199,432,617**
*Decommissioning liability adjustment	-	(1,052,726)
Total (after decommissioning adjustment)	**276,043,486**	**198,379,891**

*Decommissioning liability adjustment relates to a decrease in decommissioning liability of two quarries, Ikpobia and Cambut, 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.)

7. Administrative expenses

(a)

₦'000	31 December 2023	31 December 2022
Energy consumption	385,867	260,341
Staff cost (Note 9)	2,684,310	2,466,043
Amortisation of intangible assets (Note 17)	33,527	35,070
Depreciation of property, plant and equipment (Note 15)	577,640	547,938
Depreciation of right of use (Note 16)	77,229	73,441
Impairment of property, plant and equipment (Note 15)	-	139,657
Audit fee	192,000	147,853
*Consultancy fees	695,812	287,503
Other repairs and maintenance expenses	350,779	403,986
Office running expenses	42,650	274,568
Communication expenses	109,361	54,699
Printing and stationery	121,393	-
Security expenses	1,202,104	1,005,818
Subscription dues	480,738	66,419
Transportation and travelling expenses	593,185	371,116
Bank charges	416,342	665,191
Insurance	466,206	424,979
Rental expense	10,900	540
**Other expenses	1,159,197	445,285
Listing fees	344,832	256,777
Donation	1,055,523	1,073,681
Public relations	607,055	879,392
Directors' expenses	253,378	294,525
Directors' emoluments (Note 29(c))	435,979	318,033
	12,296,007	**10,492,855**

*Consultancy fee includes tax, legal and administrative fees.
**Other expenses relate mainly to the commissioning expenses for Line 4 and Annual General Meeting expenses.

No non-audit services were provided by the Company's auditor (2022: 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/2023/COY/209403	Ernst & Young	FRC/2023/COY/209403	Actuarial
Oguntayo Isaac Ogungbenro	FRC/2023/COY/267452	KPMG	FRC/2023/COY/267452	Tax

Notes to the Financial Statements (Cont.)

(b) Foreign exchange loss - net

₦'000	31 December 2023	31 December 2022
Net foreign exchange loss on borrowings	60,666,129	-
Foreign exchange loss capitalised	(8,185,687)	-
Net loss on other foreign exchange transactions	17,475,605	5,501,109
	69,956,047	**5,501,109**

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.

8. Distribution and selling expenses

₦'000	31 December 2023	31 December 2022
Staff cost (Note 9)	1,664,316	1,074,427
Energy consumption	333	-
Distribution cost	20,720,278	13,088,596
Depreciation of property, plant and equipment (Note 15)	5,488,146	4,368,849
Cement haulage charges	819,616	762,353
Office running expenses	388	10,078
Advertising and sales promotion cost	129,692	92,899
Communication expenses	18,293	87,030
Printing and stationery	25,746	-
Transportation and travelling expenses	113,375	52,510
Rental expense	-	2,098
Other repairs and maintenance expenses	541	-
Other expenses	87,580	142,725
	29,068,304	**19,681,565**

9. Staff cost

₦'000	31 December 2023	31 December 2022
Staff salaries and allowances	9,127,971	7,502,100
Staff welfare and training	451,159	288,002
Medical expenses	205,222	154,137
Pension (employer contribution)	639,433	399,986
Defined benefit plan (Note 14(b)):		
- Current service cost	338,639	348,380
- Plan amendment	-	(85,046)
	10,762,424	**8,607,559**

Notes to the Financial Statements (Cont.)

Details of staff cost is as follows:

₦'000	31 December 2023	31 December 2022
Cost of sales (Note 6)	6,413,796	4,573,394
Administrative expenses (Note 7)	2,684,310	2,466,043
Distribution and selling expenses (Note 8)	1,664,316	1,074,427
	10,762,422	**8,113,864**

10. Impairment (loss)/writeback on financial assets

₦'000	31 December 2023	31 December 2022
Impairment (loss)/writeback on trade receivables (Note 20ii)	(45)	276
	(45)	**276**

11. Other income

₦'000	31 December 2023	31 December 2022
Sundry income	336,621	252,763
Insurance claims	863,014	189,770
Amortisation of government grant (Note 26)	862,495	910,761
Modification gain	-	1,432,561
	2,062,130	**2,785,855**

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.

The Company recognised no modification gain (2022: ₦1.4 billion).

12. Finance income and costs

(a) Finance income

₦'000	31 December 2023	31 December 2022
Interest income	12,882,124	1,941,453
	12,882,124	**1,941,453**

(b) Finance cost

₦'000	31 December 2023	31 December 2022
Interest expense on lease liability (Note 16)	11,588	4,719
Interest expense on debt security issued (Note 25)	8,816,694	9,006,680
Interest expense on defined benefit obligation (Note14(b))	199,344	154,440
Interest expense on borrowings (Note 24(a))	36,542,044	6,743,521
Interest expense on overdraft	2,318,651	457,933

Notes to the Financial Statements (Cont.)

(b) **Finance cost (continued)**

₦'000	31 December 2023	31 December 2022
Other finance costs :		
Interest on funding from related party**	-	185,341
Unwinding of provision for decommissioning liabilities (Note 23)*	1,649,072	860,739
	49,537,393	**17,413,373**
Interest capitalised***	(29,600,504)	(6,860,008)
Finance costs expensed	**19,936,889**	**10,553,365**
Net finance cost	**7,054,765**	**8,611,912**

*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 incurred on funding provided by related parties for construction. Interest expense incurred during the construction phase has been capitalised as part of property, plant and equipment in line with IAS 23 (Borrowing cost).

***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 rates are: First Bank LC - 15.36%, Fidelity Bank -12%, Union Bank RSSF loan - 12.29% (2022: 11.9%).

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 - 12.06%.

The interest on the Series 1 Bond (2022 - 7.5%) has ceased to be capitalised as the related qualifying capital assets construction has been completed.

13. Taxation

(a) **Income tax charge**

₦'000	31 December 2023	31 December 2022
Tertiary education tax (3% of assessable profit)	2,471,663	2,060,728
Current income tax charge	10,987,765	-
Total current income tax charge	**13,459,428**	**2,060,728**
Police trust fund levy (0.005% of net profit)	3,382	6,056
Deferred tax (credit)/charge	(15,689,384)	17,076,640
Income tax (credit)/charge	**(2,226,574)**	**19,143,424**
Minimum tax charge (0.05% of gross turnover less franked investment income)	414,299	953,855

Notes to the Financial Statements (Cont.)

In line with IFRIC 21, ₦414.3 million (2022: ₦953.9 million) arising from minimum tax computations is included in the charge for the year on the statement of financial position but 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 2023	31 December 2022
The movement in current income tax liabilities is as follows:		
Opening balance	**2,170,341**	**1,697,203**
Provision for the year	13,459,428	2,060,728
Police trust fund levy (0.005% of net profit)	3,382	6,056
Payment during the year	(2,068,880)	(1,593,646)
Closing balance	**13,564,271**	**2,170,341**

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 2023 is as follows:

₦'000	31 December 2023	31 December 2022
Profit before tax	**67,228,176**	**120,154,049**
Tax at 30% statutory tax rate	20,168,453	36,046,215
Adjustments:		
Tertiary education tax (3% of assessable profit)	2,471,663	2,060,728
Police trust fund levy (0.005% of net profit)	3,382	6,056
Effect of permanent difference	-	-
Pioneer status adjustment	(24,870,072)	(18,969,575)
Income tax charge	**(2,226,574)**	**19,143,424**

(c) Deferred tax assets

₦'000	31 December 2023	31 December 2022
Opening balance	**29,696,822**	**12,606,257**
Deferred tax charge for the year - profit or loss	(15,689,384)	17,076,640
Deferred tax (credit)/charge for the year - OCI	(224,122)	13,925
Closing balance	**13,783,316**	**29,696,822**

Deferred tax liabilities relates to unutilised capital allowances, employee defined benefit, unrealised exchange loss and provisions on the Company's Sokoto Production Line 4 and Okpella Production Line 2 which are expected to unwind with passage of time.

Notes to the Financial Statements (Cont.)

₦'000	Property, plant and equipment	Unrealised exchange difference	Provisions and others*	Total
At 1 January 2023	**(32,969,538)**	**661,079**	**2,611,637**	**(29,696,822)**
Credit to other comprehensive income	-	-	224,122	224,122
Charged/(credited) to profit or loss	(6,687,659)	22,190,495	186,547	15,689,382
At 31 December 2023	**(39,657,197)**	**22,851,574**	**3,022,306**	**(13,783,318)**
At 1 January 2022	**(14,497,970)**	**2,153**	**1,889,560**	**(12,606,257)**
Credit to other comprehensive income	-	-	(13,925)	(13,925)
Charged/(credited) to profit or loss	(18,471,568)	658,926	736,002	(17,076,640)
At 31 December 2022	**(32,969,538)**	**661,079**	**2,611,637**	**(29,696,822)**

*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 2023, the Company had no unpaid contribution (2022: 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 (2022: 60 years).

The valuations of the present value of the defined benefit plan were carried out at 31 December 2023 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.

i. Valuation assumptions

The valuation assumptions fall under two broad categories:

- Financial assumptions
- Demographic assumptions

Notes to the Financial Statements (Cont.)

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 2023	31 December 2022
Long-term average discount rate per annum	17	15
Average rate(s) of salary increase per annum	15	13
Average inflation rate per annum	14.5	13

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 should be 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 8.44 years. The average weighted duration of the closest Nigerian government bond as at 18 December 2023 was 6.52 years with a gross redemption yield of 15.8%.

The Company has adopted 17.7% (2022: 15%) 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	2023	2022
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Notes to the Financial Statements (Cont.)

Withdrawal from service

Age band	2023 rate	2022 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 2023	31 December 2022
Present value of unfunded obligations	4,572,205	3,954,980

Reconciliation of change in the present value of the defined benefit plan are as follows:

₦'000	2023	2022
Balance at beginning of the year	**3,954,979**	**3,760,298**
Current service cost	338,639	348,380
Interest cost	199,344	154,440
Plan partipant's contribution	(286,092)	-
Defined benefit plan amendment (Employee cost)	-	(85,046)
Actuarial gains - Change in assumption	(45,370)	(46,745)
Actuarial losses - Experience adjustment	791,609	331
Benefit paid during the year	(380,905)	(176,679)
Balance at end of the year	**4,572,204**	**3,954,979**

Amounts recognised in the statement of profit or loss in respect of these defined benefit plans are as follows:

₦'000	31 December 2023	31 December 2022
Current service cost (Employee cost)	338,639	348,380
Interest on obligation (Finance cost)	199,344	154,440
Defined benefit plan amendment (Employee cost)	-	(85,046)
	537,983	**417,774**

Amounts recognised in Other Comprehensive Income (OCI) are as follows:

₦'000	31 December 2023	31 December 2022
Actuarial loss/(gain) on defined benefit plan:		
- Change in assumption	(45,370)	(46,745)
- Change in experience adjustment	791,609	331
	746,239	**(46,414)**
Deferred tax (credit)/charge	(223,288)	13,925
Amount recognised in OCI (net of tax)	**522,951**	**(32,489)**

Notes to the Financial Statements (Cont.)

Net liability recognised in the statement of financial position

₦'000	2023	2022
Balance at 1 January	**3,954,979**	**3,760,298**
Net periodic benefit cost recognised in profit or loss	537,983	417,774
Benefit paid during the year	(380,905)	(176,679)
Plan partipant's contribution	(286,092)	-
Amount recognised in other comprehensive income	746,239	(46,414)
Balance at 31 December	**4,572,204**	**3,954,979**

iii. Sensitivity analysis on accrued liability

₦'000		Accrued liabilities	
		2023	2022
		4,572,204	3,954,980
Sensitivity base	**Parameters**		
Discount rate	+1%	1,289,419	3,856,198
	-1%	1,482,604	4,067,647
Salary increase	+1%	1,490,324	4,075,178
	-1%	1,281,392	3,848,185
Mortality experience	Age rated up by 1 year	1,380,584	3,955,177
	Age rated down by 1 year	1,379,176	3,954,471

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 8.44 years (2022 – 10.17 years). The expected maturity analysis of the defined benefit obligation is as follows:

Year	₦'000
2024	261,715
2025	448,831
2026	379,591
2027	400,062
2028	599,142
2029-2033	4,846,780

Notes to the Financial Statements (Cont.)

15. Property, plant and equipment (PPE)

₦'000	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Capital work in progress	Total
Cost										
At 1 January 2023	**909,998**	**61,262,237**	**558,674,460**	**868,726**	**3,070,242**	**12,924,403**	**1,653,436**	**32,807,396**	**85,486,515**	**757,657,413**
Additions	473,381	108,890	3,070,603	114,906	613,216	-	340,936	5,034,790	138,986,812	148,743,534
Disposals	-	-	-	-	-	-	-	(45,642)	-	(45,642)
Changes in estimates (Note 23)	-	-	-	-	-	10,772,176	-	-	-	10,772,176
At 31 December 2023	**1,383,379**	**61,371,127**	**561,745,063**	**983,632**	**3,683,458**	**23,696,579**	**1,994,372**	**37,796,544**	**224,473,327**	**917,127,481**
At 1 January 2022	**531,800**	**59,400,473**	**358,880,193**	**686,111**	**1,942,601**	**8,274,109**	**1,333,324**	**8,693,067**	**205,696,069**	**645,437,747**
Additions	378,198	1,082,490	472,077	182,615	1,127,641	34,766	320,112	9,160,152	95,343,493	108,101,544
Transfers	-	-	(341,802)	-	-	-	-	-	-	(341,802)
Reclassifications	-	779,274	199,819,596	-	-	-	-	14,954,177	(215,553,047)	-
Write-off	-	-	(155,604)	-	-	-	-	-	-	(155,604)
Changes in estimates (Note 23)	-	-	-	-	-	4,615,528	-	-	-	4,615,528
At 31 December 2022	**909,998**	**61,262,237**	**558,674,460**	**868,726**	**3,070,242**	**12,924,403**	**1,653,436**	**32,807,396**	**85,486,515**	**757,657,413**

Included in additions to capital work in progress is borrowing cost of ₦37.8 billion (2022: ₦4.6 billion).

Notes to the Financial Statements (Cont.)

15. Property, plant and equipment (PPE) continued

₦'000	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Capital work in progress	Total
Accumulated depreciation										
At 1 January 2023	**-**	**6,770,722**	**64,923,484**	**449,312**	**1,466,974**	**3,702,832**	**870,837**	**10,459,898**	**-**	**88,644,059**
Charge for the year	-	1,228,327	16,768,394	102,564	541,303	943,732	230,926	5,170,955	-	24,986,201
Disposals	-	-	-	-	-	-	-	(5,667)	-	(5,667)
At 31 December 2023	**-**	**7,999,049**	**81,691,878**	**551,876**	**2,008,277**	**4,646,564**	**1,101,763**	**15,625,186**	**-**	**113,624,593**
At 1 January 2022	**-**	**5,532,899**	**49,577,570**	**367,449**	**1,031,201**	**2,910,002**	**716,748**	**6,413,987**	**-**	**66,549,856**
Charge for the year	-	1,237,823	15,386,932	81,863	435,773	792,830	154,089	4,045,911	-	22,135,221
Transfers	-	-	(25,071)	-	-	-	-	-	-	(25,071)
Write off	-	-	(15,947)	-	-	-	-	-	-	(15,947)
At 31 December 2022	**-**	**6,770,722**	**64,923,484**	**449,312**	**1,466,974**	**3,702,832**	**870,837**	**10,459,898**	**-**	**88,644,059**
Net book value										
At 31 December 2023	**1,383,379**	**53,372,078**	**480,053,185**	**431,756**	**1,675,181**	**19,050,015**	**892,609**	**22,171,358**	**224,473,327**	**803,502,888**
At 31 December 2022	**909,998**	**54,491,515**	**493,750,976**	**419,414**	**1,603,268**	**9,221,571**	**782,599**	**22,347,498**	**85,486,515**	**669,013,354**

Notes to the Financial Statements (Cont.)

15. Property, plant and equipment (PPE) (continued)

(a) All borrowings are secured by a debenture on all the fixed and floating assets of the Company. Refer to Note 24 for further details.

There was no transfer in the period (2022: ₦341.8 million).

There was no write-off in the year (2022: ₦155.6 million).

Included in quarry equipment is cost relating to restoration of quarry sites being mined by the Company as at 31 December 2023. Cost as at 1 January 2023 was ₦12.92 billion (Note 15) and an addition of ₦10.77 billion (2022: an increase of ₦4.62 billion) was recognised in the current year due to changes in estimates. There was no adjustment to decommissioning liability recognised (2022: ₦1.05 billion). Current year depreciation charge recognised on the restoration cost is ₦943.7 million (2022: ₦792.8 million).

(b) The depreciation charged for the year is apportioned as follows:

₦'000	31 December 2023	31 December 2022
Cost of sales (Note 6)	18,920,415	17,218,433
Administrative expenses (Note 7)	577,640	547,938
Distribution and selling expenses (Note 8)	5,488,146	4,368,849
	24,986,201	**22,135,220**

(c) Purchase of property, plant and equipment in statement of cash flows is calculated as follows:

₦'000	31 December 2023	31 December 2022
Additions in the year	-	-
Increase in net book value of property, plant and equipment	134,489,534	90,125,462
Adjustment for non-cash items:		
- transfer of assets	-	316,731
- write offs	-	139,657
- capitalised borrowing cost	(37,786,191)	(6,860,008)
Depreciation of property plant and equipment	24,986,201	22,135,220
Change in estimate of decommissioning liability	(10,772,177)	(4,615,528)
Recultivation cost	(9,600)	(9,600)
	110,907,767	**101,231,934**

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 2023	31 December 2022
Right-of-use assets		
Opening balance as at 1 January 2023	**89,141**	**76,848**
Additions	123,179	85,734
Depreciation	(96,693)	(73,441)
Closing balance as at 31 December 2023	**115,627**	**89,141**

Notes to the Financial Statements (Cont.)

16. Leases (continued)

₦'000	2023	2022
Opening balance as at 1 January	**249,889**	**176,448**
Charge for the year	96,693	73,441
	346,582	**249,889**

₦'000	31 December 2023	31 December 2022
Lease liabilities		
Opening balance as at 1 January 2023	**55,788**	**39,594**
Additions	123,179	85,735
Interest expense on lease liability	11,588	4,719
Payments	(116,688)	(74,260)
Closing balance as at 31 December 2023	**73,867**	**55,788**
Current	73,867	55,788
Non-current	-	-
	73,867	**55,788**

(b) The statement of profit or loss shows the following amounts relating to leases:

₦'000	2023	2022
Depreciation charged to cost of sales (Note 6)	19,466	-
Depreciation charged to administrative expenses (Note 7)	77,229	73,441
Finance cost on lease liability (Note 12)	11,588	4,719
	108,283	**78,160**

17. Intangible assets

₦'000	Licences	Exploration Assets	Software	Total
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**
Cost				
At 1 January 2022	**3,025**	**5,875,945**	**86,570**	**5,965,540**
Additions during the year	-	2,123,666	23,154	2,146,820
At 31 December 2022	**3,025**	**7,999,611**	**109,724**	**8,112,360**
Accumulated amortisation				
At 1 January 2022	**3,025**	**585,773**	**33,480**	**622,278**
Charge for the year	-	324,200	26,978	351,178
At 31 December 2022	**3,025**	**909,973**	**60,458**	**973,456**

Notes to the Financial Statements (Cont.)

17. **Intangible assets (continued)**

₦'000	Licences	Exploration Assets	Software	Total
Net book value				
At 31 December 2023	-	**12,805,925**	**15,739**	**12,821,664**
At 31 December 2022	-	**7,089,638**	**49,266**	**7,138,904**

The amortisation charged for the year is apportioned as follows:

₦'000	2023	2022
Cost of sales (Note 6)	377,585	316,108
Administrative expenses (Note 7)	33,527	35,070
	411,112	**351,178**

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 2023	31 December 2022
Fuel	13,595,140	1,843,532
Engineering spares	26,863,351	22,892,193
Packing materials	2,832,703	2,144,085
Raw materials	21,469,783	13,572,024
Goods in transit	592,644	4,291,658
Work in progress	19,844,642	7,205,105
Finished goods	607,517	519,693
	85,805,780	**52,468,290**

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2023 amounted to ₦23.05 billion (2022: ₦25.59 billion). These were included in cost of sales.

There was no provision made for inventory obsolescence during the year (2022: Nil).

19. Cash and cash equivalents

Cash and cash equivalents (included in statement of cash flows)

₦'000	31 December 2023	31 December 2022
Cash in hand	8,211	10,004
Cash in bank	72,367,814	35,356,604
Short term deposits	152,701,504	12,680,039
Total	**225,077,529**	**48,046,647**

20. Trade receivables

(a)

₦'000	31 December 2022	31 December 2021
Gross carrying amount – Trade receivables	63,685	20,833
Less: loss allowance (Note 3.1.2)	(70)	(3,263)
Net carrying amount – Trade receivables	**63,615**	**17,570**

Notes to the Financial Statements (Cont.)

(b) Impairment of trade receivables

The reconciliation of loss allowance as at 31 December 2023 is as follows:

₦'000	31 December 2023	31 December 2022
As at 1 January	**3,263**	**3,539**
Write off during the year	(3,238)	-
Impairment loss/(writeback) for the year	45	(276)
At 31 December	**70**	**3,263**

21. Prepayments and other assets

₦'000	31 December 2023	31 December 2022
Prepayment for engineering and construction work	47,239,935	50,319,656
*Other prepayments	37,297,056	30,117,350
Advance to staff	457,545	253,380
	84,994,536	**80,690,386**

*Other prepayments relate to advance payments made to vendors for supply of products and spares.

22. Trade and other payables

(a)

₦'000	31 December 2023	31 December 2022
Financial liabilities:		
Trade payables	54,028,818	52,579,817
Other payables and accrued expenses	4,382,578	4,517,703
Unclaimed dividend	714,151	689,536
	59,125,547	**57,787,056**
Non-financial liabilities:		
Accruals, provisions and other liabilities	279,131	581,100
Statutory obligations:		
Payroll tax and other statutory liabilities	1,162,115	1,401,214
Withholding tax payable	7,350,999	17,154,312
Minimum tax	414,299	953,855
Value added tax payable	13,632,226	1,188,750
	81,964,317	**79,066,287**

(b) Changes in trade payables in the statement of cash flows is as follows:

₦'000	31 December 2023	31 December 2022
Movement in trade payables and other payables	2,898,030	56,787,875
Effect of unrealised exchange loss (Note 7)	(17,475,605)	(5,501,109)
Movement in unclaimed dividend received	(24,615)	(214,794)
Minimum tax	(414,299)	(953,855)
	(15,016,489)	**50,118,117**

23. Provision for decommissioning liabilities

BUA Cement Plc is involved in the mining of four 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 12 months and 144 months as at 31 December 2023.

Notes to the Financial Statements (Cont.)

There were eight active quarries as at 31 December 2023 (2022: eight quarries) namely Cambut, Obu pit, Camp clay, Ikpobia clay, Elele clay, Edelstein, Edelstein north Freedom and Gamla, with estimated useful lives ranging from 12 months to 144 months (2022: 24 months to 156 months). Hence, in the event of renewal of the licences after the first expiration, some of these quarries would not have reached the end of their useful lives before the licence can be renewed for a second time. Where there is a possibility that these licences 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 2023. Actual costs may however differ from the estimates based on the prevailing assumptions at the relevant periods.

(a) The table below shows the movement in the decommissioning liabilities:

₦'000	31 December 2023	31 December 2022
Balance at 1 January	**12,698,953**	**8,265,812**
Increase in decommissioning liability as a result of changes in estimates	10,772,177	4,615,528
Recultivation cost	9,600	9,600
Decommissioning liability adjustment (Note 6)	-	(1,052,726)
Unwinding of interest	1,649,072	860,739
At 31 December	**25,129,801**	**12,698,953**

₦'000	31 December 2023	31 December 2022
(b) Provision for decommisioning liabilities		
Current	1,649,072	860,739
Non-current	23,480,729	11,838,213
	25,129,801	**12,698,952**

24. Bank borrowings

₦'000	31 December 2023	31 December 2022
Bank loans	418,156,908	125,435,470
	418,156,908	**125,435,470**

₦'000	31 December 2023	31 December 2022
Bank loans - Current	122,689,462	80,695,381
Bank loans - Non-current	295,467,446	44,740,089
	418,156,908	**125,435,470**

(a) The analysis of borrowings during the year is as shown below:

₦'000	31 December 2023	31 December 2022
At 1 January	**125,435,470**	**83,495,702**
Additional drawdowns in the year	231,469,510	178,449,460
Modification gain	-	(1,432,561)
Principal repayments	(93,746,240)	(136,982,278)
Accrued Interest - expense (Note 12)	9,260,191	2,127,241
Accrued Interest capitalised	29,600,504	4,616,280
Interest repayments	(36,062,945)	(4,838,374)
Foreign exchange loss expensed	144,014,731	-
Foreign exchange loss capitalised	8,185,687	-
At 31 December	**418,156,908**	**125,435,470**

Notes to the Financial Statements (Cont.)

24. Bank borrowings (continued)

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.

The borrowings have been analysed below

₦'000	31 December 2023	31 December 2022
Due to International Finance Corporation	264,097,120	-
Due to First Bank of Nigeria Plc	104,190,795	85,858,732
Due to Union Bank of Nigeria Plc	20,865,657	21,432,369
Due to Fidelity Bank Nigeria Plc	18,147,152	17,130,063
Due to Sterling Bank Plc	4,535,550	-
Due to Providus Bank	2,866,605	-
Due to First City Monument Bank Plc	-	1,007,766
Due to Coronation Merchant Bank Limited	2,508,367	6,540
Due to FBNQuest Merchant Bank Limited	945,662	-
	418,156,908	**125,435,470**

(b) Bank borrowings

(i) Due to First Bank of Nigeria Plc

The amount of ₦104 million represents the outstanding balance from two (2) long term loans and one short term loan granted by First Bank of Nigeria Plc. The long term loans have an outstanding balance of ₦3.3 billion and ₦14.1 billion each with a maturity date of 30 June 2024. The loans are at a floating interest rate of 19% (2022: 17%). The short term loan is an import trade finance loan and it has an outstanding balance of ₦86.8 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 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.

(iv) Due to International Finance Corporation (IFC)

The amount of ₦264.1 billion ($291.1 million) represents an amount payable by the Company on a 9-year term loan granted by IFC and other lenders (African Finance Corporation, African Development Bank, and Deutsch Investitions- Und Entwicklungsgesellschaft mbH) on 27 April 2023. There is a moratorium on principal repayments until 2025 and interest is payable semi-annually at a variable interest rate of 6-months term SOFR+5.5%. The facility will mature in December 2032.

25. Debt security issued

₦'000	31 December 2023	31 December 2022
Debt securities at amortised cost:		
Series 1 bond	114,124,633	113,932,939
	114,124,633	**113,932,939**

Notes to the Financial Statements (Cont.)

25 Debt security issued (continued)

₦'000	31 December 2023	31 December 2022
Non-current	114,124,633	113,932,939
	114,124,633	**113,932,939**

(a) The analysis of debt security issued during the year is as shown below:

₦'000	31 December 2023	31 December 2022
At 1 January	**113,932,939**	**113,551,259**
Interest expense (Note 12)	8,816,694	6,762,952
Interest capitalised	-	2,243,728
Interest repayments	(8,625,000)	(8,625,000)
At 31 December	**114,124,633**	**113,932,939**

(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 Series 1 bond has been classified as a debt measured at amortised cost using effective interest rate.

26. Government grant

(a)

₦'000	31 December 2023	31 December 2022
Current	862,495	910,761
Non-current	1,996,272	2,810,501
	2,858,767	**3,721,262**

(b) Movement in government grant is analysed below:

₦'000	31 December 2023	31 December 2022
Balance as at 1 January	**3,721,262**	**4,632,023**
Amount unwound to profit or loss (Note 11)	(862,495)	(910,761)
Balance as at 31 December	**2,858,767**	**3,721,262**

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.

Notes to the Financial Statements (Cont.)

27. Share capital

(a) Authorised:

₦'000	31 December 2023	31 December 2022
33,864,354,060 ordinary shares @ 50 kobo per share	16,932,177	-
40 billion ordinary shares @ 50k per share	-	20,000,000

At the board meeting held on the 27th April 2023, the board recommended the cancellation of 6,135,645,940 shares, making the authorised share capital of the company 33,864,354,000. The shareholders approved the cancellation at the Annual General Meeting held on 31 August 2023. The cancellation of the shares was approved by the Corporate Affairs Commission (CAC).

(b) Issued and fully paid

₦'000	31 December 2023	31 December 2022
Balance as at 1 January and 31 December		
- 33,864,354,000 ordinary shares @ 50 kobo per share	16,932,177	16,932,177

28. Earnings per share

(a) 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 2023	31 December 2022
Profit attributable to ordinary equity holders of the Company	69,454,750	101,010,626
Weighted average number of ordinary shares in issue	33,864,354	33,864,354
Basic earnings per share (Naira)	2.05	2.98

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 2023	31 December 2022
Management	19	17
Production	782	748
Administration	456	404
	1,257	**1,169**

Notes to the Financial Statements (Cont.)

(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.

	31 December 2023	31 December 2022
₦100,000 - ₦500,000	-	8
₦500,001 - ₦1,000,000	16	20
₦1,000,001 -₦2,000,000	346	397
₦2,000,001 - ₦3,000,000	205	226
₦3,000,001 - ₦4,000,000	205	231
₦4,000,001 - ₦5,000,000	139	109
₦5,000,001 - ₦10,000,000	267	131
₦10,000,001 - ₦15,000,000	41	28
₦15,000,001 - ₦20,000,000	17	2
₦20,000,001 - Above	21	17
	1,257	**1,169**

(c) Particulars of Directors

Directors' emoluments

The remuneration paid to the Directors of the Company was:

₦'000	31 December 2023	31 December 2022
Emoluments paid to the Directors of the Company	435,979	318,033
Amount paid to the highest paid Director	135,953	125,298

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 2023	31 December 2022
₦1,000,000 - ₦5,000,000	1	-
₦15,000,001 - ₦45,000,000	7	7
₦80,000,001 - ₦110,000,000	1	1
	9	8

30. Related party transactions and balances

The ultimate majority shareholder of the Company, Abdul-Samad Rabiu, CFR, CON, 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:

Notes to the Financial Statements (Cont.)

i. Key management personnel compensation (continued)

₦'000	31 December 2023	31 December 2022
Salaries and other short-term employee benefits	795,578	439,590
Pension costs	62,361	18,700
	857,939	458,290

ii. Management and technical service fees

Fees are chargeable on technical support, management and administrative services provided by BUA Industries Limited to Sokoto Plant. The technical fees are chargeable at 2.83% of the Sokoto Plant's annual net sales in line with the Management Service Agreement with BUA Industries Limited. The agreement was terminated in February 2022.

During the financial year ended 31 December 2023, there was no management and technical services charged (2022: ₦0.63 billion).

iii. 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 ₦51.1 billion (2022: Nil) that is due to related parties relates to LCs opened on behalf of BUA Cement Plc.

i Due from related parties

₦'000	Relationship	31 December 2023	31 December 2022
BUA International Limited	Sister company	-	11,996,667
PW Nigeria Limited	Sister company	3,304,738	4,550,925
		3,304,738	**16,547,592**

ii. Due to related parties

₦'000	Relationship	31 December 2023	31 December 2022
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 (2022: Nil).

The net carrying amount of receivables from related parties is shown below:

₦'000	31 December 2023	31 December 2022
Gross carrying amount – due from related parties (Note 30aiii)	3,304,738	16,547,592
	3,304,738	**16,547,592**

Notes to the Financial Statements (Cont.)

(d) Changes in due from related parties in the statement of cash flows is as follows:

₦'000	31 December 2023	31 December 2022
Movement in due from related parties	13,242,854	(11,771,397)
	13,242,854	**(11,771,397)**

(e) Changes in due to related parties in the statement of cash flows is as follows:

₦'000	31 December 2023	31 December 2022
Movement in due to related parties	(51,118,269)	(1,477,927)
*Effect of interest on funding from related party (Note 12)	-	(185,341)
	(51,118,269)	**(1,663,268)**

*Interests on funding from related parties are interests on letters of credit which the related party took on behalf of the Company. The Company repays the interest on the letters of credit to the related party.

31. Contingent liabilities

The Company is subject to some pending litigations arising in the normal course of business as at 31 December 2022. There are no contingent liabilities in respect of these pending litigations as at 31 December 2023 (2022: Nil). The summary of pending litigations are listed below:

(i) The Company is a nominal party in suit number B/75os/2023 filed by Chief Charles Adogah (SAN) seeking for the interpretation of customary law regulating succession to the traditional Title of Okuokpellagbe of Okpella. There is no financial claim in the lawsuit.

(ii) 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.

(iii) 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.

Notes to the Financial Statements (Cont.)

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 2023	31 December 2022
Purchase of delivery truck	-	10,028,280
Payment for off-road dump truck	-	377,720
70MV Power Plant for line 3	1,102,423	19,297,574
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	-
	2,756,766	**29,703,574**

(b) Guarantees

The Company had guarantee of ₦6 million with Keystone Bank Limited as at 31 December 2023 (2022: ₦100 million) with maturity date of 31 December 2024.

(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 2023 and on its profit or loss and other comprehensive income for the year.

Statement of Value Added

₦'000	Notes	31 December 2023	%	31 December 2022	%
Revenue	5	459,998,999		360,989,105	
Other income	11	2,062,130		2,785,855	
		462,061,129		363,774,960	
Less: Bought in materials and services:					
Local and imported		(352,552,514)		(204,233,730)	
Value added		**109,508,615**	**100**	**159,541,230**	**100**
Applies as follows:					
To pay employees:					
Staff cost	9	10,762,424	10	8,607,559	6
To pay providers of funds:					
Net finance cost	12	7,054,765	6	8,611,912	5
To pay government:					
Income tax charge	13(a)	(2,226,574)	(2)	19,143,424	12
To provide for enhancement of assets and growth:					
Depreciation	6, 7 & 8	24,986,201	23	22,135,220	14
To augment reserve		68,931,799	63	101,043,115	63
		109,508,615	**100**	**159,541,230**	**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 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Assets employed					
Non-current assets	816,440,179	676,241,399	584,308,003	527,668,305	408,405,566
Current assets	399,246,198	197,770,485	144,199,470	238,634,273	62,161,029
Current liabilities	(377,037,627)	(257,561,156)	(145,355,119)	(208,100,189)	(96,461,863)
Non-current liabilities	(453,424,600)	(205,338,186)	(185,035,606)	(182,247,661)	(10,407,490)
Net assets	**385,224,150**	**411,112,542**	**398,116,748**	**375,954,728**	**363,697,242**
Capital employed					
Ordinary share capital	16,932,177	16,932,177	16,932,177	16,932,177	16,932,177
Other reserves	(1,230,819)	(707,868)	(740,357)	(897,136)	(72,902)
Retained earnings	169,518,613	194,884,054	181,920,749	159,915,508	146,833,788
Reorganisation reserve	200,004,179	200,004,179	200,004,179	200,004,179	200,004,179
Total equity	**385,224,150**	**411,112,542**	**398,116,748**	**375,954,728**	**363,697,242**

BUA Cement Plc					
₦'000	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Revenue from contract with customers	459,998,999	360,989,105	257,327,091	209,443,487	175,518,326
Profit before tax	67,228,176	120,154,049	102,873,325	78,873,498	66,224,501
Income tax credit/(expense)	2,226,574	(19,143,424)	(12,794,314)	(6,529,162)	(5,614,216)
Profit for the year	69,454,750	101,010,625	90,079,011	72,344,336	60,610,285
Total comprehensive income	**68,931,799**	**101,043,114**	**90,235,790**	**71,520,102**	**60,342,457**
Earnings per share (Naira)	**2.05**	**2.98**	**2.66**	**2.14**	**1.79**
Net assets per share (Naira)	**22.75**	**24.28**	**23.51**	**22.20**	**21.48**

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

BUA Cement Plc RC 119 3879

Share Capital History

2014

AUTHORISED (UNIT)

20,000,000

ISSUED AND FULLY PAID UP (UNIT)

20,000,000

INCREASE IN ISSUED SHARES

-

2019

AUTHORISED (UNIT)

Share re-denomination from N1,000 to 0.50k each)

40,000,000

ISSUED AND FULLY PAID UP (UNIT)

40,000,000

INCREASE IN ISSUED SHARES

-

2019

AUTHORISED (UNIT)

Increase in authorised share capital

40,000,000,000

ISSUED AND FULLY PAID UP (UNIT)

40,000,000

INCREASE IN ISSUED SHARES

-

2019

AUTHORISED (UNIT)

Share reconstruction

40,000,000,000

ISSUED AND FULLY PAID UP (UNIT)

20,720,853,094

INCREASE IN ISSUED SHARES

-

2019

AUTHORISED (UNIT)

Merger

40,000,000,000

ISSUED AND FULLY PAID UP (UNIT)

20,720,853,094

INCREASE IN ISSUED SHARES

13,143,500,996

2019

AUTHORISED (UNIT)

Share reconstruction

40,000,000,000

ISSUED AND FULLY PAID UP (UNIT)

33,864,354,060

INCREASE IN ISSUED SHARES

-

2023

AUTHORISED (UNIT)

Cancellation of shares

33,864,354,060

ISSUED AND FULLY PAID UP (UNIT)

33,864,354,060

DECREASE IN ISSUED SHARES

6,135,645,940

Shareholder Information

Shareholder Information

Contact Details

Investor Relations

BUA Cement Plc
5th Floor, BUA Towers
PC 32, Churchgate Street
Victoria Island, Lagos, Nigeria

+234 01 4610669-70

investor.relations@buacement.com

www.buacement.com

@BUACementNG

@bua.cement

@bua_cement

@BUACement

@buacement

Registrar

Africa Prudential Plc
Head Office: 220B Ikorodu Road, Palmgrove, Lagos, PMB 12649 Marina
Abuja: Infinity House (2nd Floor), 11 Kaura Manoda Street, Off Faskari Cresent, Area 3, Garki, Abuja
Port Harcourt: Okien Suite Building (2nd Floor), No 1A, Evo Road, GRA Phase 2

+234 700 AFRIPRUD (0700 2374 7783)

cxc@africaprudential.com

www.africaprudential.com

@afriprud

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Africa Prudential
RC 649007

Affix Recent Passport Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

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

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 GOVERENEMENT 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. INFINITY TRUST MORTGAGE
17. INVESTMENT & ALLIED ASSURANCE PLC
18. JAIZ BANK
19. KADUNA STATE GOVERNMENT BOND
20. LIVING TRUST MORTGAGE BANK
21. GLOBAL SPECTRUM ENERGY SERVICES PLC
22. MIXTA REAL ESTATE PLC
23. NEXANS KABLE METAL NIG. PLC
24. OMOLUABI MORTGAGE BANK 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. UAC PROPERTIES DEVELOPMENT COMPANY PLC
43. VFD GROUP PLC
44. WEST AFRICAN GLASS IND PLC

OTHERS:

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

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To Download Shareholders' Forms

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Africa Prudential

E-SERVICE/DATA UPDATE FORM

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 D D M M Y Y Y Y

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
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24. OMOLUABI MORTGAGE BANK PLC
25. PERSONAL TRUST & SAVINGS LTD
26. P.S. MANDRIDES PLC
27. PORTLAND PAINTS & PRODUCTS NIG. PLC
28. PREMIER BREWERIES PLC
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40. UNITED CAPITAL NIGERIAN EUROBOND FUND
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TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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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

8th Annual General Meeting to be held at 11:00 am on Thursday, 29th August, 2024 at the Congress Hall, Transcorp Hilton Hotel, No. 1, Aguiyi Ironsi Street, Maitama, Abuja.

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 29th August, 2024.

Dated this ____________ day of ________________ 2024. 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 2023 together with the reports of the Directors, External Auditors, and the Audit Committee thereon.		
2.	To declare a dividend (₦2.00k).		
3.	To ratify the appointment of Ms Ganiat Adetutu Siyonbola as an Independent Non-Executive Director.		
4.	To ratify the appointment of Chikezie Ajaero as Executive Director.		
5.	To re-elect the following Directors who retire by rotation and being eligible offer themselves for re-election:		
	i. Chimaobi Madukwe – Non-Executive Director		
	ii. Kabiru Rabiu – Non-Executive Director		
	iii. Abdul Samad Rabiu, CFR – Non-Executive Director		
6.	To authorize the Directors to fix the remuneration of the External Auditors. (₦192,000,000) VAT exclusive.		
7.	To elect members of the Audit Committee.		
8.	To disclose the remuneration of the managers of the Company.		
	SPECIAL BUSINESS		
9.	To approve the remuneration of the Directors.		
	a. To approve the sum of ₦13,000,000 as the Chairman's fee per annum.		
	b. To approve the sum of ₦9,100,000 as the Non-Executive Directors' fee per annum.		
	c. To approve the sum of ₦10,400,000 as the Independent Non-Executive Directors' fee per annum.		
10.	To consider and pass this resolution as an ordinary resolution: That in compliance with Rule 20.8(a) of the Nigerian Exchange Limited 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 such transactions are of a revenue or trading nature or are necessary for the Company's day-to-day operations. This Mandate shall commence 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.

TURN OVERLEAF

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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.

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REGISTRARS:
AFRICA PRUDENTIAL PLC
220B IKORODU ROAD,
PALMGROVE
LAGOS.

2

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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	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			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	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			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

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Africa Prudential
RC 649007

E-SHARE PORTAL FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

* = **Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: **1.** **2.**
7. SEX: MALE FEMALE
8. *DATE OF BIRTH D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

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
12. CSCS
13. CORDROS MONEY MARKET FUND
14. EBONYI STATE GOVERNMENT BOND
15. GOLDEN CAPITAL PLC
16. INFINITY TRUST MORTGAGE
17. INVESTMENT & ALLIED ASSURANCE PLC
18. JAIZ BANK
19. KADUNA STATE GOVERNMENT BOND
20. LIVING TRUST MORTGAGE BANK
21. GLOBAL SPECTRUM ENERGY SERVICES PLC
22. MIXTA REAL ESTATE PLC
23. NEXANS KABLE METAL NIG. PLC
24. OMOLUABI MORTGAGE BANK 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. UAC PROPERTIES DEVELOPMENT COMPANY PLC
43. VFD GROUP PLC
44. WEST AFRICAN GLASS IND PLC

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