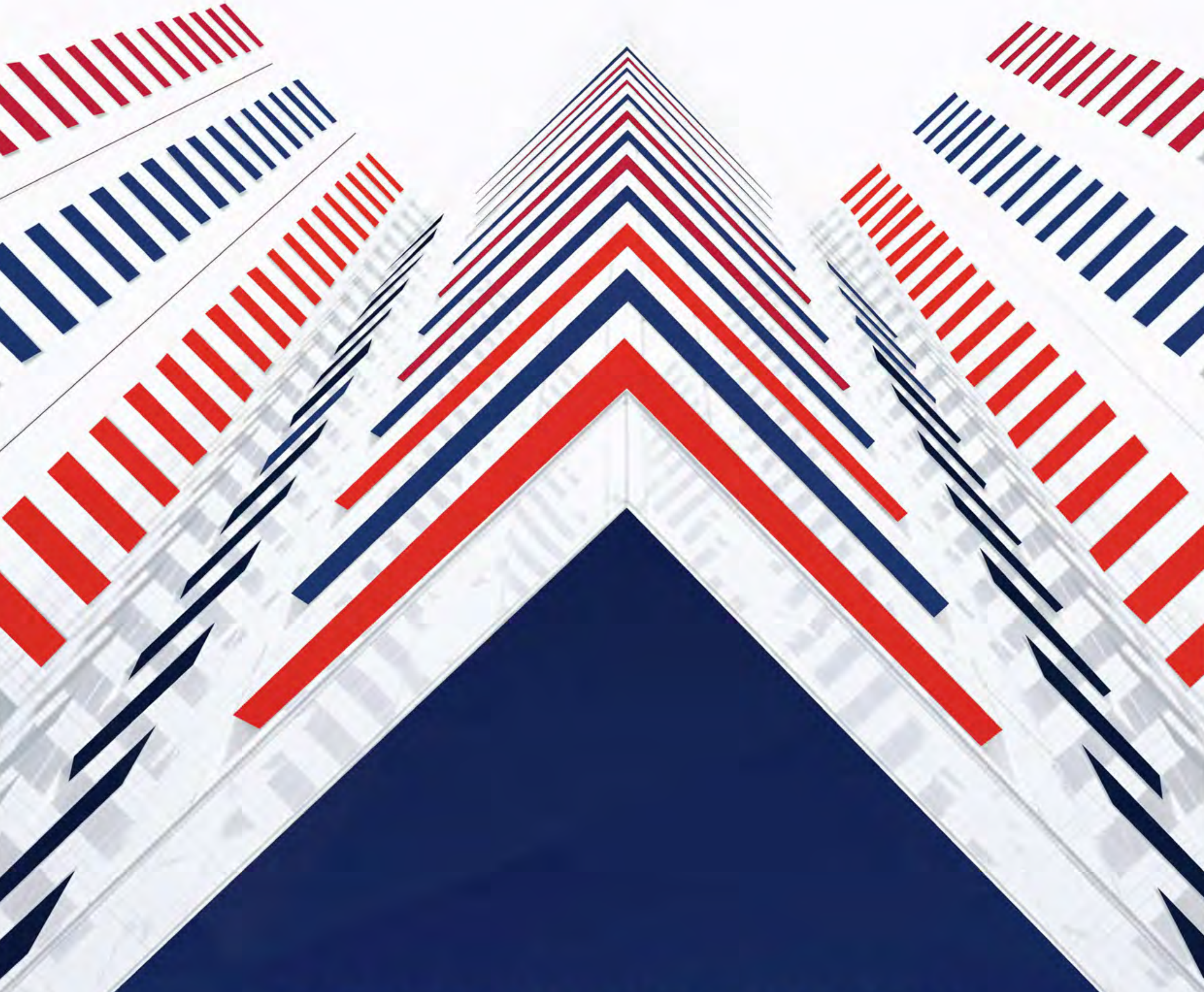
BUA CEMENT PLC RC1193879



DRIVING PROGRESS DELIVERING VALUE

Annual Report & Accounts 2025

About the 2025 BUA Cement Annual Report

Welcome to BUA Cement Plc's 2025 Annual Report, themed Driving Progress, Delivering Value.

The theme reflects our commitment to ensuring that strategic and operational advancements translate into measurable, long-term value for shareholders and stakeholders.

In this report, we present both concise and detailed accounts of our performance during the 2025 financial year, highlighting how we strengthened operational efficiency, reinforced governance oversight, advanced sustainability integration, and maintained financial discipline in a dynamic operating environment.

Furthermore, the report offers transparent insights into our strategy, business model, and financial results, as well as our Environmental, Social, and Governance (ESG) scorecard for the year under review.

Through this publication, we reaffirm our commitment to responsible growth, institutional resilience, and sustainable value creation.

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Company Overview

01

Company Philosophy

Our Value Proposition

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

Our Mission

To produce and market high quality cement for national development.

Our Vision

To be a highly competitive market leader in Nigeria.

Our Core Values

- Respect
- Innovation
- Commitment
- Excellence

Value Creation Process

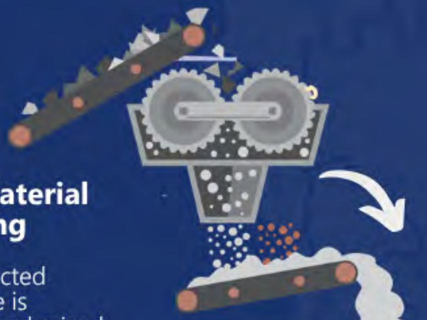
6
Modern integrated plants

Over 10,000
Jobs created

Over ₦6bn
Invested in CSR projects

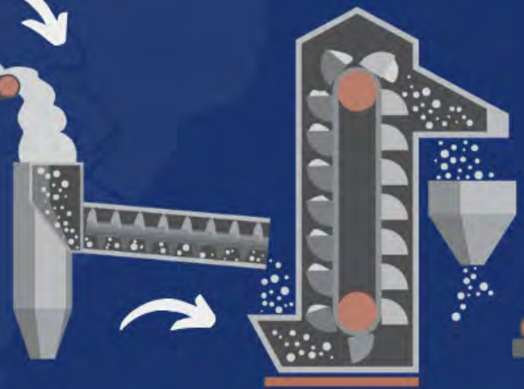
Quarry

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



Raw Material Grinding

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

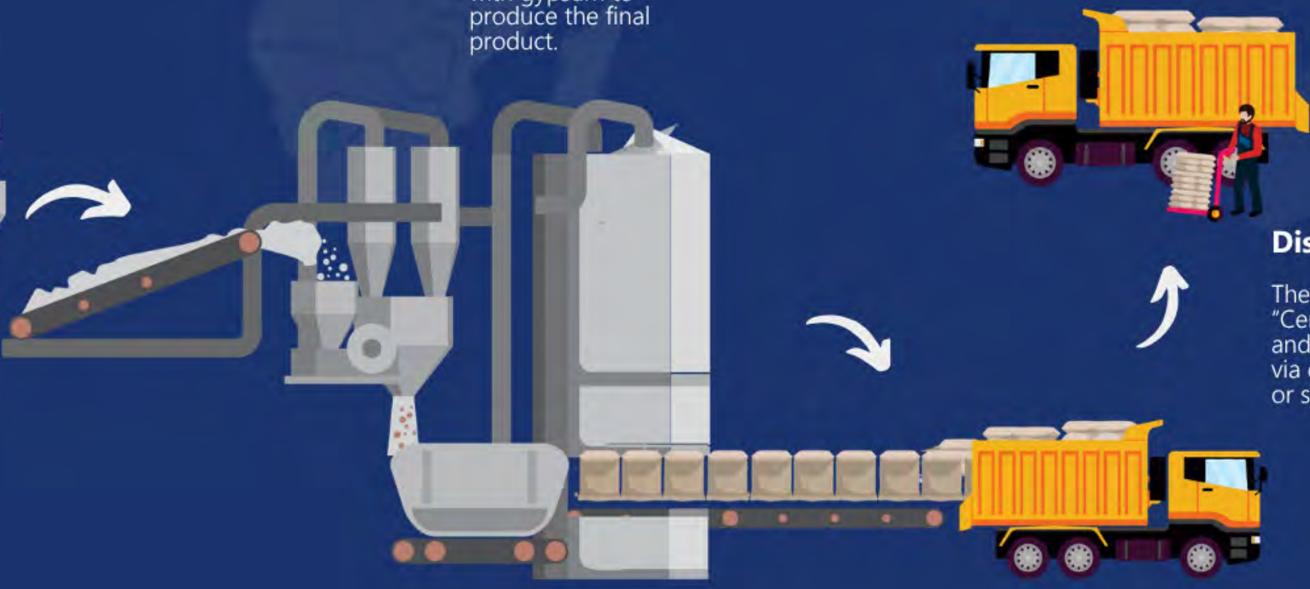


Kiln

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

Cement Grinding

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



Distribution

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

Consumers

Distributors and retailers

GDP
₦441.5trn

Population
237.5mn

Infrastructure funding deficit
$3trn

Housing deficit
15.2mn
housing units

Our Journey

1962 – 1993

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

2000 – 2010

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

2015 – 2019

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

2020 – 2022

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

2023 – 2025

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

2025: Performance Highlights

OPERATIONAL HIGHLIGHTS

INSTALLED POWER

Obu Plant

140 MW

Captive power plant

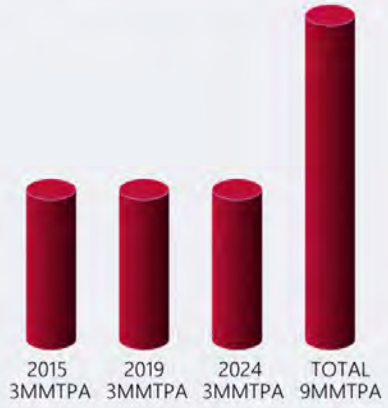
Sokoto Plant

120 MW

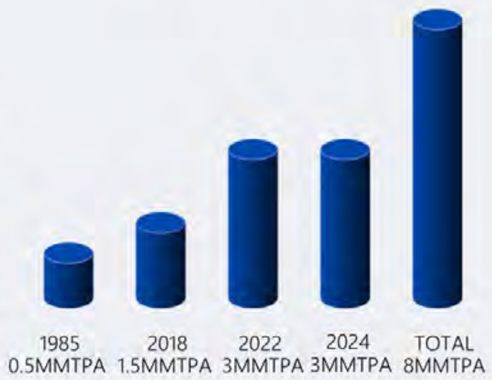
Captive power plant

INSTALLED CAPACITY

Obu Plant, Edo State



Sokoto Plant, Sokoto State



AWARDS

FINANCIAL HIGHLIGHTS

	Revenue	EBITDA
2025	2025- ₦1.2 trillion	2025 - ₦549.9 billion
2024	2024 - ₦876.5 billion	2024 - ₦268.6 billion

	Profit Before Tax	Profit After Tax
2025	2025 - ₦465.3 billion	2025 – ₦356.0 billion
2024	2024 - ₦99.6 billion	2024 -₦73.9 billion

Return on Average Asset (ROAA)	Return on Average Equity (ROAE)	Earnings Per Share (EPS)
30% / 2024 17%	67.1% / 2024 19.1%	₦10.51 (2024: ₦2.18)

Investment Grade Credit Rating AA (DataPro) A+ (Agusto & Co.)

2025: Performance Highlights Cont'd.

SUSTAINABILITY HIGHLIGHTS

GREENHOUSE GAS EMISSIONS (GHG)

FOCUS

676 kg CO_2/t Cem Prod
669 kg CO_2/t Cem Prod (2024)

AIR QUALITY

FOCUS

PM: 44g/ t Cli ;
42g/t Cli (2024)

SOx: 5g/ t Cli ;
3g/ t Cli (2024)

NOx: 306g/ t Cli ;
789g/ t Cli (2024)

ENERGY MANAGEMENT

FOCUS

3,374 kcal/ kg cli
3,362 kcal/kg cli (2024)

WATER MANAGEMENT

FOCUS

235 Ltr/ ton Cem prod
116 Ltr/ ton Cem prod (2024)

BIODIVERSITY IMPACTS

FOCUS

Land reclamation
12.6 mmt
13.4 mmt (2024)

Tree planting
650
720 (2024)

CIRCULAR ECONOMY (WASTE MANAGEMENT)

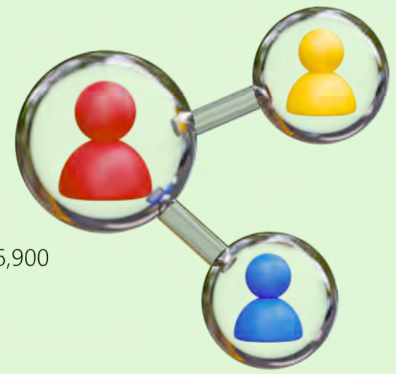
FOCUS

In 2025, we generated 14.6 kt of waste (2024: 24.3 kt), 96% of which was non-hazardous in nature (2024: 99%). Through our reuse and resale initiative, 96.2% of the waste was diverted from landfill (2024: 98%), while 2.9% was used as an alternative energy source (2024: 0.5%).

COMMUNITY

Bringing positive development to lives in host communities

- Proactive community engagement – 63 (2024: 54)
- Reactive community engagement - 27 (2024: 4)
- Local employment created – 189 (2024: 596)
- Local vendor contracted – 13 (2024: 17)
- A total of 19 social investment projects, valued at ₦649.7 million and benefitting over 36,900 recipients, were completed during the year. Special focus was given to education and empowerment programs, which accounted for 31% and 47% of total investments, respectively.



Chairman's Statement

> *BUA Cement's growth strategy remains deeply aligned with Nigeria's industrial future - our capacity expansion, market diversification, operational efficiency, and national industrial contribution*

Dear Shareholders and Esteemed Stakeholders,

On behalf of the Board of Directors, I am pleased to present the 2025 Annual Report of BUA Cement Plc.

The year under review was marked by economic recalibration, currency stabilisation, evolving regulatory expectations, and heightened competitive dynamics within our industry. Against this backdrop, the Company remained steadfast in its commitment to ***Driving Progress and Delivering Value***, not only through operational execution, but through strengthened governance, disciplined capital stewardship, and deeper institutional resilience.

As a Board, our priority in 2025 was clear: to ensure that growth remained anchored on sound oversight, prudent financial management, and sustainable long-term value creation, balancing expansion with stability, ambition with discipline, and performance with responsibility.

Navigating a Complex Operating Environment

Nigeria's macroeconomic environment in 2025 continued to reflect structural reforms initiated in prior periods. While foreign exchange volatility moderated and inflationary pressures eased progressively toward year-end, businesses operated within a high-cost environment characterised by elevated energy prices, funding costs, and intense market competition.

Within this context, the Board maintained oversight of Management's execution strategy, with particular focus on liquidity preservation, cost minimisation, risk management, and capital allocation efficiency. Our approach was guided by the belief that resilience in challenging periods ultimately defines institutional strength.

Strategic Oversight and Capital Discipline

BUA Cement's growth strategy remains deeply aligned with Nigeria's industrial future - our capacity expansion, market diversification, operational efficiency, and national industrial contribution. During the year, the Board continued to monitor the execution of expansion projects, including the development of the Ososo plant and preparatory works toward further capacity enhancement.

Importantly, the Board's capital allocation philosophy remains disciplined, and threshold driven. Investments are assessed against clearly defined return benchmarks to ensure they deliver strong and sustainable value. This approach ensures that expansion initiatives strengthen long-term returns on invested capital while preserving and enhancing shareholder value.

In 2025, the Board also oversaw Management's entry into a new market segment; bulk cement distribution, along with the resumption of export activities to neighbouring West African markets, further strengthening both market and geographic diversification.

Beyond market expansion, the Board supervised several strategic initiatives designed to enhance operational self-sufficiency and customer experience. These included the development of our polypropylene production plant to support local input substitution, the expansion of our LNG capacity at the Sokoto Plant to reinforce energy security and cost stability, and the deployment of digital transformation initiatives such as the 24-hour service centre aimed at improving customer experience, customer satisfaction, and operational agility.

Chairman's Statement Cont'd.

Collectively, these initiatives reflect a deliberate shift toward vertical integration, energy optimisation, and technology-enabled service enhancement. From a governance standpoint, the Board has ensured that the Company's strategic initiatives align with the Company's industry outlook, responds effectively to changes in the external environment, strengthens our competitive position, and supports sustainable long-term earnings growth.

Governance

During the year under review, the Board intensified its focus on structured risk reporting within the Company's Enterprise Risk Management (ERM) framework. While the Company has long maintained a broad-based approach to Risk Management covering operational, legal, compliance, market, political, and foreign exchange risks, the Board placed greater emphasis on the quality, structure, and depth of risk reporting presented to it. Enhanced reporting and more structured analysis of enterprise-wide risk exposures have strengthened the Board's visibility over emerging risk dynamics and interdependencies across the risk landscape. This strengthened oversight has further improved the Board's ability to monitor, assess, and respond proactively to evolving risk exposures facing the Company.

Committee effectiveness remained central to our governance framework. The Audit Committees reinforced oversight over financial integrity and internal controls, ensuring the timely resolution of audit findings and management letter observations. The Finance and General-Purpose Committee closely monitored capital structure optimisation, financial performance and liquidity management during a period of elevated funding costs.

A notable governance milestone during the year was the formal separation and strengthening of the internal control function from internal audit, thereby improving day-to-day oversight and reinforcing preventive risk management across the Company's operations.

In addition, the Board progressed the review and updating of key governance policies and Board Committee charters to ensure continued alignment with evolving regulatory expectations, leading governance practices, and the Company's strategic priorities. During the year, the Board approved the comprehensive reviews of several foundational governance instruments, including the Board Charter and the charters of its principal committees, alongside other key policies. These reviews are intended to ensure that the Company's governance framework remains robust, transparent, and responsive to both regulatory developments and the Company's continued growth.

The Board's commitment to governance excellence was externally recognised during the year through industry recognition for compliance leadership and corporate governance standards, while such recognition is encouraging, the Board remains focused on the continuous strengthening of governance standards and long-term value creation.

Board Effectiveness and Leadership Development

The Board continued to prioritise director development through structured training and governance capacity-building programmes to ensure that its oversight remains informed by evolving regulatory, economic, and industry developments.

Succession planning, diversity considerations, and leadership pipeline development also remain key priorities as the Company continue to scale operationally and geographically.

Sustainability as a Governance Imperative

For the Board, sustainability remains embedded in our long-term value creation model.

In 2025, the sustainability function continued to evolve from a compliance-driven framework toward a fully integrated performance management structure. The Board received enhanced reporting linked to the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Systems (ESMS), aligned with IFC Performance Standards and international best practices.

Key sustainability indicators, including energy intensity, carbon intensity per tonne of cementitious product, water recycling ratios, quarry reclamation metrics, and social incident mitigation performance, are now monitored with greater precision and accountability. The installation of metering systems and structured KPI tracking has strengthened data integrity and enabled improved performance benchmarking across plants.

The Board also supervised progress in alternative fuel expansion, including biomass and lower-carbon fuel initiatives, as well as developments linked to LNG regasification capacity expansion. These initiatives not only reduce environmental exposure but also enhance financial and operational resilience.

Beyond metrics, our responsibility extends to people. In Sokoto, Edo, and other host communities, we deepened engagement through the Livelihood Restoration Programme (LRP), infrastructure support, and targeted social investments designed to create lasting impact. The Board recognises that long-term industrial success depends on maintaining our social licence to operate.

Importantly, we also initiated preparatory steps toward phased implementation of emerging sustainability reporting standards, including readiness for IFRS S1 and S2 climate-related disclosures. This ensures that our commitment to responsible growth is supported by credible, transparent and globally aligned reporting.

Financial Stewardship and Shareholder Value

Our performance in 2025 reflected strengthened financial fundamentals, supported by cost optimisation & process improvements, and enhanced liquidity and treasury management.

The Board closely monitored leverage levels, liquidity ratios, and foreign exchange exposures throughout the year. The stabilisation of the Naira during the latter part of the year contributed positively to predictability in planning and reduced volatility in finance costs.

I am particularly pleased to announce that the Company achieved significant milestone target in 2025, recording landmark revenue of ₦1.2 trillion, up from ₦876.5 billion in 2024. Furthermore, profit before tax rose by 367% to ₦465.3 billion from ₦99.6 billion, while profit for the year increased by 381.7% to ₦356 billion from ₦73.9 billion in 2024.

These exceptional results would not have been possible without the collective commitment of the Management and staff whose dedication, innovative thinking and the relentless focus on operational excellence continue to drive the Company's performance. On behalf of the Board, I extend our sincere appreciation to the entire team

Consistent with our long-standing commitment to shareholder

Chairman's Statement Cont'd.

returns, the Board approved a dividend of ₦10.00 (2024: ₦2.05) reflecting both the Company's strong performance and the Board's confidence in its long-term outlook.

Outlook and Board Priorities for 2026

Looking ahead, the Board's focus remains on disciplined execution of our expansion programme while safeguarding the integrity of our capital allocation framework to ensure every investment made is transparent, disciplined, and aligned with our long-term vision.

We will build on the progress achieved in the bulk distribution of cement and the export of both cement and clinker, ensuring that these initiatives strengthen earnings resilience, diversify risk, and reinforce market positioning.

Business process review, coupled with process improvements will continue to receive close oversight, particularly where they support margin stability and sustainability performance. At the same time, we remain committed to advancing sustainability governance and enhancing disclosure readiness in line with evolving global standards.

Preserving balance sheet strength and prudent leverage will remain central to our stewardship approach, ensuring that growth is pursued without compromising financial stability or shareholder returns. Strengthening enterprise-wide risk management and internal control systems will further underpin the Company's long-term resilience.

We remain confident in Nigeria's infrastructure outlook and in BUA Cement's ability to continue Driving Progress and Delivering Value in a disciplined and sustainable manner.

Appreciation

On behalf of the Board, I extend our sincere appreciation to our shareholders for their continued trust and confidence, to our customers and business partners for their loyalty and support, and to our Management and employees for their dedication and hard work throughout the year.

I also wish to acknowledge our host communities, whose goodwill cooperation and partnership remain important to our continued operations and growth. We do not take this relationship for granted, and we remain committed to ensuring that our presence contributes to meaningful opportunities, shared prosperity and long-term development.

As we move forward, we do so with clarity of purpose and a steadfast commitment to ***Driving Progress and Delivering Value***, guided by strong governance, strategic discipline, and an unwavering focus on long-term sustainability.

Thank you.

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

Managing Director's **Statement**

> ***Revenue rose to ₦1.2 trillion, representing an increase of 34.6% from ₦876.5 billion in 2024.***
>
> ***This substantial topline advancement was complemented by robust profitability, with profit before tax rising to ₦465.3 billion, up 367% from ₦99.6 billion in the prior year. Similarly, profit after tax rose to ₦356 billion, an increase of over 380% from the ₦73.9 billion recorded previously. These results reflect the strength of our operational execution, disciplined cost management, and collaborative and value-based strategies adopted in navigating a year characterised by volatility and transition.***

Dear Stakeholders,

On behalf of the Board and Management of BUA Cement Plc, I extend my sincere appreciation for your unwavering trust and partnership throughout 2025. This has been a defining year, one where resilience, foresight and disciplined execution cemented our place among Nigeria's most trusted industrial brands.

Our strategic thrust was guided by the theme: ***"Driving Progress, Delivering Value"***, as we confronted a complex operating landscape with clarity of purpose and consistency of performance. Amid one of the most challenging economic environments since our listing, your Company not only sustained its operational momentum but delivered record growth, strengthened its governance framework, and continued to expand its capacity to serve both existing and emerging markets.

Across these milestones, our purpose has remained unchanged: to manufacture quality cement efficiently, responsibly and sustainably, while delivering meaningful value to all who depend on us. This purpose continues to define every stride we take, driving progress where it matters most and delivering value that endures beyond the financial year.

Operational and Strategic Progress

In 2025, we continued to build on the foundation laid over the last decade by advancing toward our medium-term goal of 20 million metric tonnes of installed capacity. Construction of the new 3 million metric tonnes per annum plant in Ososo, Edo State, is on schedule and is expected to come on stream before the end of 2027. In addition, we commenced preliminary discussions and studies for an additional 3 million metric tonnes per annum line in Sokoto (Sokoto line 6), which would take our future installed capacity to 23 million metric tonnes, a new horizon that reaffirms our faith in Nigeria's long-term growth story.

The expansion of our core operations has been matched by equally significant innovation across our systems and processes. During the year, we launched our mobile App - a notable milestone in our digital transformation journey with our distributors. This follows the recent automation of our sales processes and integration of partner banks into our platform. The launch for us is a major step toward customer independence, convenience and satisfaction. With each dealer now operating a unique customer wallet, transactions are confirmed within minutes, and cement orders are processed seamlessly. This transformation continues to simplify the sales process, eliminate errors, and reinforce BUA Cement's reputation for reliability and responsiveness.

At the same time, thousands of our dealers and retailers experienced shorter delivery times and clearer communication through our newly established Customer Support and Market Intelligence Centre. This 24-hour hub now serves as both a listening post and an analytics command centre, turning insights into timely business decisions that strengthen our market positioning across regions.

The expansion of our market presence and growth in market share through value-added activities remains deeply rooted in strategy, and at the core of the Company's philosophy. During the year, we took delivery of 500 bulk cement tankers, supplying cement to construction firms across the Country. This allowed for the delivery of large quantities of cement in an efficient, safe and protected manner, while eliminating added cost from packaging, time and labour expended in offloading cement bags at the construction sites.

Financial Performance in 2025

In 2025, we delivered a landmark financial performance, underscoring our resilience, strategic agility and alignment, and an unwavering commitment to Driving Progress and Delivering Value in a complex operating environment. Revenue rose to ₦1.2 trillion, representing an increase of 34.6% from ₦876.5 billion in 2024.

This substantial topline advancement was complemented by robust profitability, with profit before tax rising to ₦465.3 billion, up 367% from ₦99.6 billion in the prior year. Similarly, profit after tax rose to ₦356 billion, an increase of over 380% from the ₦73.9 billion recorded previously. These results reflect the strength of our operational execution, disciplined cost management, and collaborative and value-based strategies adopted in navigating a year characterised by volatility and transition.

While 2025 saw continuing external pressures, including energy insecurity, high interest rate, volatile energy prices, and evolving import costs, BUA Cement effectively managed its financial exposures through substitution strategies, market diversification, efficient funding structures, and enhanced working capital and cash flow management frameworks.

Our focus on liquidity preservation, while sustaining investment in expansion projects, ensured operational continuity and a fortified the balance sheet. As in previous years, we remained committed to enhancing shareholder returns, declaring one of the highest payout ratios among listed manufacturing companies on the Nigerian Exchange as a mark of our confidence in long-term performance.

These outcomes demonstrate the enduring value of our integrated approach, one that balances growth with stability, opportunity with prudence, and ambition with accountability.

Resilience in a Challenging Year

2025 presented volatility, particularly in energy costs, import-dependent inputs, and foreign exchange markets. Yet through rigorous cost management and operational discipline, BUA Cement not only weathered these headwinds but converted them into opportunities for efficiency.

One of the contributing factors in our performance was the successful introduction of solid fuel for the pyro-process at Obu. This introduction, combined with the progress being made at BUA Group's ongoing construction of a mini-LNG and bag manufacturing plants will give us greater control of our cost structure and shield us from currency volatility. The reversal of previous foreign exchange losses following the naira's stabilisation further improved our financial position and restored predictability to our investment planning.

Equally important was our ability to mobilise resources for continuous investment, despite the high-interest rate environment, while maintaining operational and financial prudence. Overall, we closed the year with a strong liquidity position, along with a lower interest burden compared to the prior year.

Sustainability, Stakeholders, and Community Impact

For us at BUA Cement, growth without responsibility holds no meaning. Our sustainability agenda anchors every decision, ensuring that progress for our Company translates into tangible benefits for our host communities and the environment.

In 2025, we made significant progress on our Livelihood Restoration Plan (LRP). For instance, at Sokoto and in partnership with consultants and experts, we ensured individuals impacted by our activities were able to rebuild their lives through new skill acquisition programs, provision of advisory services on ways to improve their current endeavours, delivery of business support, and local partnerships that promote entrepreneurship. We invested significantly across our four CSR pillars: education, health, empowerment, and infrastructure, with these programs designed to deliver long-term socio-economic gains.

This commitment extends beyond Corporate Social Responsibility (CSR). From energy substitution and waste reduction to our compliance with IFC Performance Standards and ISO 14001 re-certification, BUA Cement continues to demonstrate that sustainability and profitability can advance together, reinforcing the foundation for enduring value.

Our partnerships remain vital to our success. In 2025, we deepened relationships with long-standing technical partners, suppliers, and distributors, fostering continuity, trust, and shared expertise that strengthen our operational backbone.

Governance and Institutional Strength

Our governance architecture remained a source of pride and competitive strength. During the year, BUA Cement was recognised by both the Nigerian Exchange Group and the Chartered Institute of Directors as the most compliant listed company in Nigeria and in recipient of the Corporate Governance Award 2025, respectively, two honours that affirm our unwavering adherence to transparency, accountability, and responsible management.

We continue to refine risk processes across plant operations through dedicated risk management committees, ensuring timely identification and mitigation of operational, financial, and environmental risks. This culture of accountability where every decision aligns with our strategic vision has been instrumental in safeguarding the value we create amid rapid growth and expansion.

Outlook and Commitment to Long-Term Value

As we enter 2026, BUA Cement stands stronger and more adaptive – fully aligned with the Federal Government's infrastructure renewal drive, Nigeria's ambitions for industrialisation, and similar initiatives by African governments across the sub-region. Demand indicators remain firm, and early trends in the year point to a stronger market than in the prior period.

Our priorities remain clear:

- Strengthen production reliability and optimise capacity utilisation across both plants;
- Sustain fiscal discipline and operational prudence;
- Expand our participation in public infrastructure and bulk cement projects;
- Advance our regional export strategy to deepen dollar-earning potential; and
- Continue embedding sustainability and innovation into our business model.

Through disciplined leadership, innovation, and shared purpose, we will continue Driving Progress and Delivering Value, shaping the future of Nigerian cement manufacturing in both scale and substance.

Closing Remarks

To our shareholders, we thank you for your trust. Your belief in our vision strengthens our conviction to deliver consistent, long-term value. To our employees, your diligence and adaptability remain the bedrock of our success. Each milestone achieved in 2025 reflects your excellence and commitment. To our customers and partners, your loyalty inspires our constant pursuit of service superiority.

As we look to the future, BUA Cement remains anchored on the values that define who we are: Respect, Integrity, Commitment, and Excellence (RICE). These principles are the true drivers of progress and the enduring promise of value creation.

In them lies our purpose: to keep driving, to keep delivering, and to keep building the foundation of prosperity for all stakeholders.

Together, we are BUA Cement — Driving Progress, Delivering Value.

Thank You

Yusuf Binji
Managing Director/Chief Executive Officer

Sustainability

02

Our Approach to Sustainability

BUA Cement remains steadfast in its commitment to sustainability as a core business principle, embedding environmental stewardship, social responsibility, and robust governance practices into every aspect of its operations.

In 2025, the Company advanced its integrated sustainability approach through strengthened implementation of its Environmental and Social Management System (ESMS), improved data accuracy, expanded environmental and safety programs, and deeper community engagement. These efforts reflect the Company's ongoing commitment to ensuring that business growth aligns with responsible resource management, climate resilience, and long-term shared value.

A central focus during the reporting year was enhancing environmental performance and data precision across key operational areas. The Company transitioned to plant-specific emissions factors for raw meal-to-clinker ratio under the GCCA GNR v3.1 methodology, resulting in more precise greenhouse gas accounting. This was complemented by development of GHG emission management in line with its developed GHG Reduction Procedure under the ESMS, reinforcing BUA Cement's long-term pathway toward decarbonisation. Across energy management, the Company strengthened its Resource & Energy Efficiency Management Plan, supported by full-scale energy audits, LNG infrastructure expansion, and renewable energy integration planning. These initiatives set the foundation for improved energy efficiency and lower carbon intensity in the coming years.

In 2025, BUA Cement also deepened its commitment to air quality management by advancing the operational readiness of its Continuous Emissions Monitoring System (CEMS). Engagement of a specialist service provider to initiate Relative Accuracy Test Audit (RATA) processes ensured that the Company remains aligned with global emissions verification standards, enhancing data reliability and operational transparency. Routine monitoring was expanded both within the plant and in nearby communities, strengthening the Company's efforts to mitigate local environmental impacts in accordance with its Air Quality Management Plan.

Water stewardship remained a critical pillar of the Company's sustainability agenda, particularly in the face of global water scarcity challenges. BUA Cement continued to reduce dependence on groundwater by maximising the use of harvested rainwater and quarry dewatering sources. Improved metering systems were introduced in 2025 to enhance water accounting accuracy, while systematic groundwater monitoring was extended to neighbouring communities through groundwater level monitoring under the ESAP. These efforts ensured that water abstraction remained balanced, responsible, and aligned with long-term conservation principles.

Biodiversity protection and land restoration continued to gain prominence across the Company's operations. More than 124,225 square metres of disturbed land were reclaimed during the reporting year, and the Company strengthened ecosystem restoration through the conversion of select exhausted pits into artificial water reservoirs in water-stressed areas. The successful implementation of a high-impact soil reclamation and livelihood restoration programme in Sokoto further demonstrated BUA Cement's commitment to enabling ecological regeneration while supporting socio-economic resilience among host communities.

Aligned with its circular economy vision, the Company expanded waste recovery initiatives, increased waste-to-energy contributions, and enhanced responsible waste management frameworks through ongoing implementation of the Solid Waste Management Plan and related ESMS procedures. Improved waste segregation, material repurposing, and responsible disposal practices underscored the Company's commitment to resource efficiency and environmental responsibility.

On the social front, BUA Cement deepened stakeholder engagement and advanced local content development through structured capacity-building initiatives across its host communities. Flagship programmes, including the Heavy-Duty Operator Training Programme in Sokoto and the skill acquisition and empowerment programme in Obu, demonstrated meaningful progress in job readiness, income diversification, and long-term skills development. Strengthened community engagement mechanisms under the ESMS further enabled proactive issue resolution and strengthened trust with host communities.

Health and safety remained a core organisational priority. In 2025, BUA Cement strengthened its safety governance framework through the deployment of a modern Permit to Work system, enhanced Lockout-Tagout-Tryout (LOTOTO) controls, and significant improvement in safety reporting culture. Scenario-based emergency response drills, structured management walk-throughs, and extensive capacity-building further enhanced operational readiness and alignment with global safety standards.

Overall, 2025 represents a year of consolidated progress in environmental stewardship, social impact, and safety performance. Through continued implementation of its ESMS and Strategic Environmental and Social Action Plans (ESAP), BUA Cement remains firmly committed to building a sustainable future, driven by operational excellence, climate-conscious innovation, community empowerment, and responsible resource management.

A. Environment

BUA Cement continues to deepen its environmental stewardship through proactive resource management, structured emissions control, and enhanced ecosystem protection across all operations. In 2025, the Company advanced key environmental programmes under its Environmental and Social Management System (ESMS), including targeted improvements in greenhouse gas accounting, energy efficiency planning, air quality monitoring, water conservation, circular economy practices, and biodiversity restoration.

These efforts reflect the Company's long-term commitment to aligning operational performance with global sustainability benchmarks, minimising environmental impacts, and enhancing resilience in the face of evolving climate and resource challenges.

During the reporting period, BUA Cement placed strong emphasis on enhancing environmental data integrity and methodological accuracy, transitioning to plant-specific emissions factors, expanding internal monitoring systems, and strengthening engagement with technical experts to validate performance against established standards. Environmental monitoring was intensified both within and beyond plant boundaries, ensuring that mitigation actions remain scientifically robust and fully aligned with regulatory expectations and ESAP commitments.

The Company also continued to integrate cleaner fuel alternatives, advance renewable energy planning, optimise thermal and electrical processes, and expand the use of low-impact water sources such as harvested rainwater and quarry dewatering.

BUA Cement's growing circular economy initiatives further demonstrate a sustained commitment to waste minimisation, resource recovery, and operational efficiency. Efforts in land and quarry rehabilitation, afforestation, and ecosystem restoration remained central to sustaining ecological balance within host environments. Through these combined efforts, the Company is strengthening the long-term sustainability of its operations, enhancing environmental performance, and laying firm foundations for a lower-carbon, resource-efficient industrial future.

Greenhouse Gas Emissions (GHG)

BUA Cement continues to prioritise climate stewardship through strengthened emissions accounting, improved operational efficiencies, and alignment with international cement sector decarbonisation frameworks.

In 2025, changes in production volumes and enhancements in methodological precision shaped the Company's GHG profile, reinforcing its commitment to transparency and the continued implementation of its GHG Reduction Procedure under the ESMS. This strategic focus ensured that despite operational variability, the Company remains firmly committed to reducing its carbon footprint and advancing towards a more sustainable, low-carbon future.

GHG - Absolute and Net Emission	2025	2024
Absolute Gross Scope 1 Emission including Emission from PG [million metric tonnes CO_2]	5.50	6.48
Absolute Gross Scope 1 Emission [million metric tonnes CO_2]	5.07	6.01
Absolute Net Scope 1 Emission [million metric tonnes CO_2]	5.07	6.01
Emission from PG[1] [million metric tonnes CO_2]	0.44	0.48
Absolute Gross Scope 2 Emission [million metric tonnes CO_2]	0.00164	0.00170
GHG - Specific Absolute and Net Emission	**2025**	**2024**
Specific Gross Scope 1 Emission [kg CO_2/t cem prod]	676	669
Specific Net Scope 1 Emission [kg CO_2/t cem prod]	676	669
Specific Gross Scope 2 Emission [kg CO_2/t cem prod]	0.22	0.19

*PG - Separate onsite power generation

The 2025 reporting period was characterised by lower production volumes, with cementitious output declining by 16%. This reduction had a corresponding influence on absolute emissions, which decreased across Scope 1 and Scope 2 categories. Gross Scope 1 emissions fell by 15%, mirroring production trends and signalling stable combustion efficiency despite intermittent operational interruptions.

These outcomes were further shaped by the Company's transition to plant-specific values for the raw meal–to–clinker ratio under the GCCA GNR v3.1 methodology. Moving away from the default industry factor of 1.55 improved the accuracy of emissions accounting and reflected BUA Cement's maturing data-quality systems, though it introduced a marginal upward adjustment in calculated emissions per tonne.

Power generation emissions decreased by 8%, which, though not proportional to production changes, is consistent with the operational dynamics of the year, particularly the increased kiln shutdowns for maintenance. During these periods, baseline power requirements continued even when clinker throughput was constrained. This pattern demonstrates that PG optimisation has improved but remains partly influenced by operational constraints inherent in maintenance cycles.

Specific Scope 1 emissions rose slightly from 669 kg CO_2/t to 676

A. Environment (Cont'd.)

kg CO_2/t. This marginal increase is typical when kilns operate below optimal utilisation levels and experience more frequent starts, stops, and load variations. Thermal systems are most efficient under steady, high-volume conditions. Therefore, the operational variability in 2025 naturally elevated intensity values. Scope 2 emissions, although extremely small in absolute terms, showed a similar pattern, with specific emissions rising because the denominator (production volume) contracted.

During the year, BUA Cement advanced several strategic initiatives that will support future GHG reductions. The ongoing LNG expansion project reached beyond its halfway milestone, positioning the Company to double its LNG handling capacity upon completion next year. This transition remains central to the Company's low-carbon energy strategy. In addition, circularity principles were strengthened through enhanced repurposing of spent engine oil as an alternative fuel for hot-gas generators, reducing the reliance on virgin fuels and lowering, indirect emissions linked to waste handling.

Overall, 2025 represents a year of relatively stable carbon performance under constrained production conditions, enhanced methodological rigor, and continued implementation of decarbonisation measures under the ESMS. These efforts lay a solid foundation for further GHG reductions in the coming reporting periods.

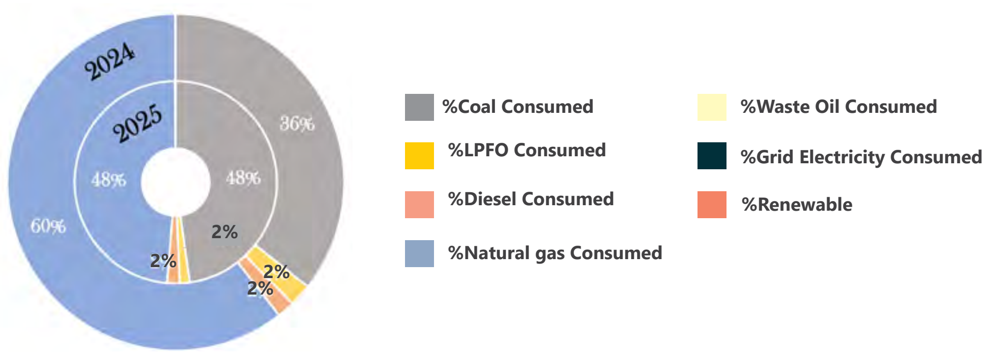
Energy Management

BUA Cement continues to strengthen its energy management practices through process optimisation, cleaner fuel integration, and long-term efficiency planning. In 2025, operational variations and strategic assessments shaped the Company's energy performance, while the Resource & Energy Efficiency Management Plan under the ESMS guided ongoing improvements and positioned the Company for more efficient energy utilisation in coming years. These efforts reflect a steady advancement toward resilient, lower-carbon energy systems aligned with global cement-sector expectations.

Energy Management - Absolute Consumption	2025	2024
Total Energy Consumption - Cement Plant [TJ]	28,975	34,291
Total Energy Consumption - Kiln [TJ]	20,783	25,359
Energy Management - Percentage Consumption by Source	**2025**	**2024**
% Coal Consumed	48%	36%
% LPFO Consumed	2%	2%
% Diesel Consumed	2%	2%
% Natural Gas Consumed	48%	60%
% Waste Oil Consumed	0.061%	0%
% Grid Electricity Consumed	0.046%	0.041%
% Renewable	0%	0%
Energy Management - Specific Consumption	**2025**	**2024**
SHC of clinker production [MJ/t cli]	3,374	3,362

Energy performance in 2025 closely mirrored production trends, with total plant energy consumption decreasing by 16% and kiln energy consumption falling by 18%. These changes were strongly influenced by the increased maintenance-driven kiln shutdowns, which affected operational continuity. Although energy consumption decreased proportionally with reduced output, shutdown cycles inherently reduce thermal efficiency because pyro-processing systems operate optimally under stable, high-throughput conditions.

%Energy Consumption by Source



A. Environment (Cont'd.)

The composition of energy sources shifted in response to operational and supply dynamics. Coal's contribution rose from 36% to 48%, while natural gas declined from 60% to 48%. This change demonstrates challenges with clean energy sourcing and aligns with transitional constraints as the LNG expansion project progressed through its construction phase. Once commissioned, the expanded LNG capacity is expected to rebalance fuel consumption toward cleaner energy sources. LPFO and diesel remained stable at low levels, demonstrating continued discipline in avoiding high-carbon fuels where possible.

Specific heat consumption (SHC) of clinker remained nearly unchanged, increasing only slightly from 3,362 MJ/t to 3,374 MJ/t. This stability is notable given the operational disruptions, as SHC typically rises under fluctuating throughput conditions. The Company's ability to maintain this performance reflects operational discipline and effective kiln management despite the increased frequency of maintenance cycles.

A key milestone in 2025 was the completion of comprehensive energy audits across all plants. These audits assessed a range of pyro-processing optimisation opportunities, including cement mill fan improvements, VRM and cooler fan variable frequency drives, Tire-Derived Fuel (TDF) integration, and High-Pressure Roller Press (HPRP) deployment to mention but a few. The resulting roadmap offers defined short-, medium-, and long-term interventions that will enhance energy efficiency, reduce thermal losses, and improve equipment performance as implementation progresses.

Advancements continued in fuel diversification. With the LNG expansion nearing completion, BUA Cement is preparing for a significant scale-up in low-carbon fuel consumption.

Circular energy practices were also strengthened, particularly the enhanced repurposing of waste engine oil as an alternative fuel for hot-gas generation. This initiative reduces dependence on virgin fossil fuels while supporting responsible waste handling, reinforcing the link between energy efficiency and circular economy practices.

Overall, energy management in 2025 reflects a year of controlled performance under operational constraints, strategic readiness for future efficiency gains, and continued alignment with the Resource & Energy Efficiency Management Plan under the ESMS. These efforts position the Company for improved energy performance and reduced emissions in the years ahead.

Air Quality

BUA Cement continues to reinforce its commitment to responsible air quality management through enhanced monitoring, improved data accuracy, and strengthened compliance with global cement-sector environmental expectations.

In 2025, the Company intensified its focus on continuous emissions monitoring, system calibration readiness, and baseline reappraisals, ensuring that its air quality performance remained consistent with both regulatory standards and the structured implementation of the Air Quality Management Plan under its ESMS. These efforts reflect a maturing approach to emissions governance, anchored on operational accountability, scientific rigor, and proactive mitigation.

Air Quality - Absolute Group 1 Emission	2025	2024
PM [tonnes]	269	188
SOx [tonnes]	33	25
NOx [tonnes]	1,886	5,955
Air Quality - Specific Group 1 Emission	**2025**	**2024**
PM [g/ tonne Cli]	44	25
SOx [g/ tonne Cli]	5	3
NOx [g/ tonne Cli]	306	789
Air Quality - Group 1 Emission Coverage Rate	**2025**	**2024**
Coverage rate continuous measurement [%]	54%	53%

Air quality performance in 2025 reflects enhanced measurement precision, updated estimation methodologies, and significant operational variability. The estimation of specific emissions was aligned more closely with the GCCA Sustainability Guidelines for Monitoring and Reporting of Emissions (2018), transitioning the denominator from plant-specific clinker production to overall group production. This change improves consistency, comparability, and methodological robustness, although the shift influences the intensity values due to back-calculation for 2025 and 2024 for particulate matter (PM) and sulfur oxides (SOx) compared to the previous year.

Absolute PM emissions increased by 43%, rising from 188 tonnes in 2024 to 269 tonnes in 2025. This change is attributable to intensified monitoring efforts. Specific PM emissions increased from 25 g/t to 44 g/t clinker, reflecting the operational variations, particularly the increased frequency of kiln shutdowns during maintenance. Shutdown cycles often lead to dust-release dynamics when kilns restart or ramp down, and these conditions naturally elevate PM profiles despite good dust-control systems. Despite this, monitoring was strengthened significantly, demonstrating responsible oversight under the Air Quality Management Plan.

A. Environment (Cont'd.)

Air Quality Cont'd.

SOx emissions increased moderately from 25 tonnes to 33 tonnes, with specific emissions rising from 3 g/t to 5 g/t clinker. While these values remain comparatively low for the cement sector, the increase reflects changes in fuel mix, notably higher coal utilisation relative to natural gas during the period. This underscores the importance of the planned Relative Accuracy Test Audit (RATA) in further refining emissions control and validation.

In contrast, NOx emissions demonstrated substantial improvement, declining by 68% in absolute terms and 61% in specific terms. This sharp reduction indicates improved burner optimisation, combustion control, and kiln operation stability during active production windows. Although shutdown cycles influenced PM and SOx profiles, the operational quality during active kiln phases supported measurable NOx reductions, highlighting focused improvements in thermal profile management and combustion efficiency.

Continuous monitoring capability also improved, with coverage of Group 1 emissions continuous measurement rising to 54%. This aligns with ongoing implementation of the Continuous Emissions Monitoring System (CEMS) and readiness steps completed during the year. To strengthen the accuracy, reliability, and regulatory alignment of emission monitoring, BUA Cement engaged a service provider to initiate the Relative Accuracy Test Audit (RATA) process. Although the full execution of RATA is scheduled for the following year under the ESAP, preparatory work conducted in 2025 ensures that calibration, accuracy validation, and reference benchmarking will proceed effectively. RATA remains essential for improving CEMS precision, supporting compliance, and enhancing the reliability of emissions data for decision-making and reduction efforts.

As part of its commitment to continuous improvement, the Company also engaged international independent consultants to reappraise emissions and noise levels against the Environmental and Social Impact Assessment (ESIA) baselines within and around host communities. This proactive initiative strengthens environmental governance and reinforces the Company's dedication to mitigating local air quality impacts through scientifically grounded assessments.

Throughout the year, the Air Quality Management Plan under the ESMS continued to guide performance improvements. Monitoring frequency was increased within and around plant facilities, supporting early detection of deviations and allowing timely interventions. This structured approach, consistent with global sustainability benchmarks, ensures that air quality management remains operationally effective and environmentally responsible.

Overall, 2025 represents a year of improved measurement accuracy, strong NOx performance, recalibrated estimation techniques, and enhanced readiness for next-level validation through RATA. These efforts demonstrate BUA Cement's sustained commitment to responsible air emissions governance and continuous improvement in air quality performance.

Water Management

BUA Cement continues to strengthen its commitment to sustainable water stewardship by enhancing resource efficiency, reducing reliance on freshwater sources, and aligning its practices with global environmental expectations. In 2025, the Company expanded its water accounting accuracy, deepened hydrogeological monitoring within and beyond its operations, and advanced the implementation of its Water Management Plan under the ESMS. These initiatives reflect a proactive approach to safeguarding water resources, maintaining aquifers balance, and ensuring long-term environmental sustainability.

Water Management	2025	2024
Total water withdrawn (million cubic metres)	1.76	1.04
Total water consumed (million cubic metres)	1.76	1.04
% Groundwater - Borehole Consumption	19%	34%
% Quarry Water Consumption	81%	66%
% Water Recycled	2%	4%
Specific Water Consumption [Ltrs/ tonne cem prod]	235	116

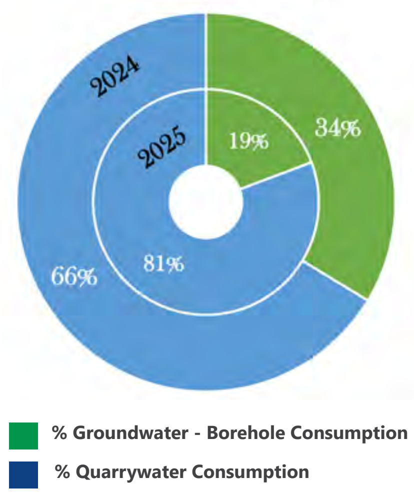
Water performance in 2025 reflects enhanced accuracy in accounting combined with a deliberate shift toward alternative water sources. Total water withdrawal and consumption increased by 70%, rising from 1.04 million cubic metres in 2024 to 1.76 million cubic metres in 2025. This upturn is primarily attributed to improved metering and the inclusion of additional water inflows previously unaccounted for rather than a material increase in water demand.

During the year, the water inflow from a repurposed quarry pit - now on an artificial pond for rainwater harvesting and dewatering was formally metered for the first time, increasing reported volumes. Despite the numerical increase, operations remained largely supported by harvested rainwater and quarry dewatering, reinforcing the Company's continued shift away from freshwater dependence.

This strategy is reflected in the significant reduction in groundwater abstraction, which declined from 34% to 19%, representing a 43% reduction. Conversely, reliance on quarry water rose to 81%, confirming the success of BUA Cement's deliberate transition toward circular water sourcing practices. Although water recycling decreased slightly from 4% to 2%, the Company's overall water balance continued to be driven by need for accurate accounting on recycling line and low-impact sources dependency.

A. Environment (Cont'd.)

Water Consumed by Source



Specific water consumption increased from 116 litres per tonne of cementitious product in 2024 to 235 litres per tonne in 2025. This change was driven primarily by reduced production volumes and improved accounting coverage. As overall production declined, fixed or semi-fixed water usage for dust suppression, cooling, and cleaning operations had a proportionally greater effect on intensity metrics. The inclusion of historically unmetered inflows further contributed to the rise, highlighting the importance of accurate monitoring in aligning performance indicators with operational realities.

The Water Management Plan under the ESMS was effectively implemented during the reporting period, which expanded its monitoring efforts to include surrounding communities. Routine appraisals of groundwater levels were carried out using a dedicated monitoring borehole, enabling the Company to track aquifer behaviour relative to its operations. These assessments were guided by established aquifer safe-yield and drawdown baselines and conducted with the support of renowned external hydrogeology consultants in line with ESAP commitments.

Findings confirmed no adverse impact on neighbouring aquifers, validating the effectiveness of the Company's responsible water use strategy.

By extending water assessment beyond its fence line, the Company ensures that community water security remains protected, supporting long-term social and environmental resilience. This holistic approach aligns with international best practices in industrial water management and demonstrates the Company's proactive stance toward mitigating potential community impacts.

Overall, 2025 marks a year of improved data accuracy, reduced reliance on groundwater, and intensified hydrogeological oversight. Through continued implementation of its Water Management Plan under the ESMS, BUA Cement remains committed to responsible consumption, aquifer protection, and sustainable water management across its operations.

Biodiversity Impacts

BUA Cement continues to strengthen its commitment to biodiversity conservation, sustainable land use, and ecological restoration through structured rehabilitation strategies, and community-focused initiatives.

In 2025, the Company advanced its efforts to restore disturbed landscapes, enhance ecological resilience, and demonstrate the long-term value of responsible quarry lifecycle management. These initiatives reflect a proactive approach to supporting environmental integrity while improving land productivity and community livelihoods.

Biodiversity Impact	2025	2024
Quarry Land Reclamation (million metric tonnes)	12.62	13.42
Planted Trees	650	720
Planted Trees (within host communities)	550	650
% Planted Trees (within Host Communities)	84.6%	90.3%
Planted Eco-Bloomer (flower)	500	100

Biodiversity and land restoration performance in 2025 reflects a year of continued progress in rehabilitating post-extraction landscapes while expanding the scope and complexity of restoration strategies. Quarry land reclamation reached 12.62 million metric tonnes, demonstrating sustained dedication to responsible land use even as absolute values dipped slightly compared to the previous year.

A notable milestone during the reporting period was the reclamation of over 124,225 square meters of land, including the near-complete rehabilitation of the Oroji farm pit 2 at the Sokoto Plant. At the Obu Plant, the Company advanced its strategy of transforming exhausted pits into artificial water-collection ponds, an approach that is especially valuable in water-stressed environments. With more than three pits now functioning as rainwater and quarry-dewatering reservoirs, this nature-based solution contributes both to biodiversity protection and long-term water security for operations and surrounding ecosystems.

Quarry Land Reclamation (million metric tonnes)

A. Environment (Cont'd.)

Biodiversity Impacts Cont'd.

One of the most significant achievements in 2025 was the successful implementation of a soil reclamation and agricultural livelihood restoration programme at the Sokoto Plant. Conducted in collaboration with BUA Cement's technical partners, the initiative transformed a one-hectare reclaimed quarry area into a productive agricultural land.

The programme, an integral element of the Company's Resettlement Action Plan, applied advanced soil reclamation technologies, improved plantation methods, and climate-smart agronomic practices. The establishment of a Management Training Plot (MTP), divided into six crop demonstration strips, showcased both strip-cropping and sole-cropping systems using early-maturing, drought-tolerant, and pest-resistant varieties such as millet (Super SOSAT), sorghum (SAMSORG 28), maize (OBA Super G), cowpea (SAMPEA VTA), groundnut (SAMNUT 24), and soybean (TG 1951). Germination rates averaged approximately 95 percent, and harvests were achieved within 45–75 days, depending on the crop. Yields ranged from good to excellent compared to local benchmarks, conclusively demonstrating that degraded post-limestone landscapes can be restored to full agricultural productivity within a single farming season.

This achievement represents a major step forward in integrating biodiversity restoration with community livelihood support, strengthening community trust, and showcasing a scalable model for post-mining land rehabilitation in northern Nigeria. The programme reinforces the relationship between ecological restoration and socio-economic resilience, offering long-term benefits that extend beyond the immediate operational footprint.

Tree planting efforts continued across operational areas and host communities, with 650 trees planted in 2025. Although total tree numbers decreased slightly, the Company maintained strong emphasis on community-based planting, with 85% of all trees planted within host communities. This community-focused approach enhances shared ecological benefits, increases vegetation cover, and supports local microclimates. The significant increase in Eco-Bloomer plantings, from 100 in 2024 to 500 in 2025, demonstrates renewed investment in fostering pollinator-friendly vegetation, improving landscape aesthetics, and supporting habitat diversity.

As part of its ESAP commitments and Management Plan, BUA Cement continues to enhance monitoring and expert engagement. The Company collaborated with international consultants to reappraise emissions and noise levels relative to baseline ESIA conditions around host communities. Although primarily environmental in scope, these assessments contribute to a broader understanding of ecological conditions, reinforcing proactive mitigation measures across the operating landscape.

Looking ahead, BUA Cement will continue to expand its afforestation initiatives, enhance carbon sequestration strategies, and deepen the implementation of biodiversity management frameworks under the ESMS. These efforts underscore its long-term commitment to ecological resilience, responsible land stewardship, and sustainable development in all host communities.

A. Environment (Cont'd.)

Circular Economy & Waste Management

BUA Cement continues to strengthen its circular economy approach through enhanced waste tracking, increased resource recovery, and sustained implementation of its Solid Waste Management Plan, Hazardous Materials Management Plan, and Pollution Prevention and Spill Response Plan under the ESMS.

In 2025, the Company further deepened its commitment to minimising waste generation, advancing reuse pathways, and integrating alternative fuel opportunities that reduce reliance on virgin materials while supporting responsible operational practices. These efforts reflect the continued development of a circularity framework built around waste diversion, material repurposing, and sustainable energy substitution.

Circular Economy & Waste Management	2025	2024
Waste Generated [ktonnes]	14.55	24.31
% of Generated Non-Hazardous Waste	96%	99%
% Diverted from landfill through Reuse & Resale	96.2%	98.0%
% Use as Alternative Energy Source	2.9%	0.5%

Circular economy performance in 2025 demonstrates improved resource efficiency and waste recovery practices across the Company's operations. Total waste generated decreased significantly by 40%, dropping from 24.31 ktonnes in 2024 to 14.55 ktonnes in 2025. This reduction is attributable to improved material utilisation, increased operational discipline, and more effective waste segregation practices.

The proportion of non-hazardous waste remained high at 96%, slightly lower than the previous year but still indicative of strong adherence to safe material handling and responsible waste classification.

Waste diversion remained a key circularity strength. In 2025, 96.2% of total waste generated was diverted from landfills through reuse and resale, demonstrating sustained performance despite a slight reduction of two percentage points from 2024. This diversion rate reflects the efficiency of the Company's reuse systems and the adaptability of its waste management channels even under changing operational conditions. The minor reduction is consistent with the overall decrease in total waste volumes and does not signal any decline in circular economy performance.

A notable highlight for 2025 is the substantial increase in waste repurposed as an alternative energy source, which rose from 0.5% to 2.9%, representing a more than fourfold increase. This significant improvement is attributed to the enhanced integration of waste-derived inputs, particularly spent engine oil into hot-gas generator systems. By repurposing waste oil as an energy feedstock, BUA Cement continued to reinforce the synergy between circularity and decarbonisation, reducing dependency on virgin fuels while improving waste recovery outcomes. This initiative also aligns with the ESMS-driven Pollution Prevention and Spill Response Plan, ensuring responsible handling and controlled reuse of materials that would have otherwise been disposed.

Innovative material repurposing also progressed strongly through the Company's protective gear recycling initiative. In 2025, 945 damaged chest aprons were repurposed into 1,177 arm protectors, representing a 16% increase in output compared to the previous year. This initiative not only diverts textile waste from disposal channels but also capacitates local content, reduces the need for virgin materials, lowers procurement-related impacts, and demonstrates the practical value of upcycling within operational environments. The increase in output, despite fewer damaged aprons available for repurposing, highlights improved efficiency in the conversion process and stronger alignment between waste-to-resource systems and operational safety needs.

The Company continued to advance the implementation of key circularity frameworks under the ESMS. Waste monitoring, classification, and controlled disposal methods were strengthened, and operational teams expanded their awareness and participation in circularity practices. These improvements support BUA Cement's strategic focus on maximising resource efficiency, reducing residual waste volumes, and embedding sustainability across production cycles.

Overall, 2025 represents a year of improved waste generation performance, enhanced circularity pathways, and strengthened integration of alternative energy recovery. Through continued execution of its ESMS waste-related plans, BUA Cement remains committed to scaling circular economy initiatives, reducing environmental footprint, and advancing a more resource-efficient and sustainable operational model.

A. Environment (Cont'd.)

BUA Cement WED 2025: Advancing Action Against Plastic Pollution Through Collective Responsibility

BUA Cement reaffirmed its environmental commitment by commemorating World Environment Day (WED) 2025 across both Sokoto and Obu Plants through coordinated awareness, advocacy, and clean-up activities. Aligned with the global theme ***#BeatPlasticPollution,*** the Company strengthened its efforts to address the growing challenge of plastic waste by mobilising employees, contractors, and host community members to participate in hands-on environmental protection initiatives. The commemoration further reinforced the Company's ongoing implementation of its Waste Management Plans under the ESMS, highlighting its dedication to proactive environmental stewardship.

Activities commenced with an environmental awareness session in Sokoto, where staff were sensitised on the global implications of plastic pollution. The session emphasised the dangers of improper plastic disposal, the long-term impact of plastic pollution, including its effects on ecosystems, soil quality, waterways, and human health. Employees were encouraged to strengthen daily waste-conscious behaviour by adopting the principles of reduce, reuse, and recycle, both within the workplace and in the surrounding communities.

Similarly, at the Obu Plant, employees, contractors, and community members participated in structured sensitisation activities, including short training sessions on proper waste segregation, plastic recycling practices, and the threats plastic poses to soil quality, waterways, and human health.

The awareness sessions were followed by extensive clean-up exercises across operational and surrounding community areas. In Sokoto, staff moved through various segments of the plant to collect plastic items, bottles, bags, and other discarded materials, ensuring that all collected plastic waste was sorted and handed over to the Plant's approved waste vendor for responsible recycling and disposal. Meanwhile, in Obu, teams expanded the clean-up efforts beyond the facility, clearing plastic waste from surrounding roads, drainage channels, and community access routes to prevent environmental contamination and improve communal hygiene. These exercises strengthened collective action and demonstrated the Company's role in promoting environmentally responsible practices across its operational footprint.

The Obu celebration further incorporated tree-planting activities, symbolising the importance of ecological restoration and reinforcing BUA Cement's long-term commitment to green landscapes and regenerative environmental practices. Staff and community participants collectively pledged to reduce the use of single-use plastics, incorporate reusable alternatives into daily operations, and maintain cleaner surroundings. This pledge reflects the Company's broader sustainability focus on circularity, waste minimisation, and ecosystem protection.

Both plants concluded the WED activities with group photographs and short reflection sessions, where participants were encouraged to integrate sustainable waste practices into their daily routines. Management reiterated BUA Cement's dedication to responsible production, environmental protection, and continuous improvement under its ESMS aligned management frameworks. The combined efforts of employees, contractors, and community stakeholders made WED 2025 a meaningful reminder of the shared responsibility to combat plastic pollution and safeguard the environment for future generations.

B. Social

BUA Cement remains committed to advancing social sustainability through strengthened stakeholder engagement, expanded local content development, and inclusive community investment programmes. In 2025, the Company continued to deepen its engagement frameworks under the ESMS, particularly through its Stakeholder Engagement Plan and Community Safety Plan, ensuring that its interactions with host communities, government agencies, and social partners remained proactive, structured, and transparent. The year also featured the rollout of transformative empowerment initiatives across both Sokoto and Obu operations, reinforcing the Company's long-term commitment to inclusive development and shared socio-economic progress.

Social Metrics	2025	2024
Proactive Stakeholder Engagement	63	54
Reactive Stakeholder Engagement	27	4
Town Hall Meeting	0	0
Community Feedback (in terms of grievance)	10	8
Social Incident	2	1
Business Disruption from Community	0	1
Local Employment Made	189	596
Local Vendor Contracted	13	17
% Local Vendor Contracted	7%	3%

Social performance in 2025 reflects a dynamic year characterised by intensified engagement and expanded focus on community capacity development. Proactive stakeholder engagements increased significantly, rising to 63 engagements within the year and contributing to a total of 90 structured engagements across both proactive and responsive categories. Reactive engagements accounted for 30%, demonstrating that although the Company faced more community feedback and grievances compared to the previous year, the shift remained within manageable thresholds, supported by responsive communication mechanisms and strengthened grievance-resolution channels under the ESMS. Importantly, business disruptions originating from the community dropped to zero, showing improved trust, stability, and alignment between BUA Cement and its host communities.

A major highlight for 2025 was the advancement of local content development, particularly in local employment and empowerment initiatives. Although the number of local employment opportunities reduced compared to 2024, the year marked significant quality improvements in community capacity building. In Sokoto, the Company launched the Host Community Heavy Duty Operator Training Programme, a structured workforce development initiative targeting 60 youths from host communities. The programme was designed to equip participants with strong technical, operational, and safety competencies needed for heavy-duty equipment operation within quarry and cement manufacturing environments. Through rigorous phases, including theoretical instruction, hazard identification, PPE use, operational responsibility, and six months of practical training under experienced supervisors, participants received hands-on exposure to excavators, bulldozers, wheel loaders, dump trucks, and other quarry associated machinery. Progressive remuneration ensured financial support during the training, with full salary eligibility upon program completion. The initiative delivered meaningful capacity development and strengthened workforce sustainability in the quarry environment, reinforcing BUA Cement's commitment to empowering local talent and enhancing community livelihoods.

B. Social (Cont'd.)

In Obu, the Company executed a comprehensive skill acquisition and empowerment programme, targeting young residents of the Okpella community. The programme focused on vocational development such as tailoring, hairdressing, and entrepreneurial training, creating pathways to self-reliance and income generation. Participants engaged in hands-on sessions led by professional trainers, utilising real tools and equipment to transition from theoretical knowledge to practical expertise. Over time, the programme fostered new micro-businesses, strengthened community confidence, and expanded socio-economic opportunities. By promoting dignity, financial independence, and long-term economic resilience, the initiative demonstrated the transformative potential of tailored community empowerment programmes.

On vendor development, although the absolute number of local vendors contracted declined slightly from 17 to 13, the weighted percentage of vendors sourced increased markedly from 3% to 7%, reflecting targeted efforts to deepen local supply chain participation. This underscores a stronger commitment to enhancing local business integration and capacity within the value chain.

Social investment (CSR) performance in 2025 focused more on targeted, high-impact projects rather than volume. The Company implemented 19 social investment projects, reaching over 36,900 beneficiaries across priority thematic areas. Spending totalled ₦649.7 million, with a strategic shift toward education and empowerment, representing 31% and 47% of total investments respectively. Empowerment initiatives, in particular, doubled in number compared to 2024, signalling a renewed focus on skills, livelihoods, and economic development. Health projects were introduced during the period, while WASH and infrastructure investments declined due to the completion of major projects in prior years.

Community relations showed a balanced outlook. Grievances increased slightly to 10 reports but remained within expected engagement dynamics typical for large-scale industrial operations. Social incidents rose to 2 but did not escalate into operational disruptions, reflecting effective corrective responses and improved risk management structures. With zero business disruptions recorded, the year demonstrated enhanced social stability and stronger trust-building outcomes.

Overall, 2025 marks a year of strengthened stakeholder relations, transformative local empowerment programmes, and targeted community development investments. Through continued execution of the Stakeholder Engagement Plan, Community Safety Plan, and other ESMS frameworks, BUA Cement remains committed to fostering inclusive growth, safeguarding community well-being, and reinforcing long-term social sustainability across its operational footprint.

B. Social (Cont'd.)

Other Key Events of 2025

BUA Cement continued to strengthen its organisational culture, employee engagement, and workplace well-being through strategic internal events designed to foster inclusion, recognition, and holistic development. In 2025, the Company hosted a series of impactful engagements that reinforced its commitment to gender equity, mental health awareness, employee motivation, and organisational cohesion. These activities underscored the Company's ongoing efforts to cultivate a supportive, high-performance environment where employees feel valued, connected, and empowered.

International Women's Day Engagement – BUA Women Connect 2025

BUA Cement commemorated International Women's Day with a meaningful employee engagement initiative themed ***"Strength in Unity: Connecting to Grow,"*** held on 14th October 2025. The event brought together female employees and management representatives in a structured forum designed to promote connection, professional development, empowerment, and employee well-being, in line with the Company's commitment to gender inclusion and a supportive workplace culture.

The engagement commenced with an opening prayer followed by a welcome address from the Head of Human Resources, who reaffirmed the Company's dedication to fostering an inclusive environment where women can thrive and actively contribute to organisational success.

A keynote presentation, delivered by a Consultant Psychiatrist, focused on Mental Health and Wellness at Work, highlighting the importance of emotional balance, psychological safety, and supportive management practices.

A panel discussion on "Women Supporting Women – Building Internal Networks" featured distinguished panellists, including ANWE President. The conversation emphasised mentorship, collaboration, confidence-building, and internal support systems among female employees.

The program concluded with remarks from the Plant Director, followed by a group photograph and networking session. Overall, the initiative reinforced BUA Cement's commitment to gender inclusion, professional development, and the holistic well-being of women across the organisation.

International Men's Day Celebration

In furtherance of its commitment to employee well-being and workplace balance, BUA Cement joined the global workforce to commemorate International Men's Day on 27th November 2025. The event, themed ***"Celebrating Men and Boys: Promoting Well-Being, Strength, and Positive Living,"*** brought together employees, management, and health professionals for an engaging wellness-focused programme.

Opening remarks, delivered by the Finance Director, emphasised the importance of prioritising men's health, early medical checks, and the need to maintain physical and emotional wellness. The Head of Human Resources formally launched the event, reiterating the Company's dedication to initiatives that support employee welfare and work-life balance.

Expert-led sessions by a consultant doctor and professor formed the core of the programme, delivering an insightful presentation on Prostate Health: Awareness, Early Detection, and Wellness for Men. This includes another session on Men's Mental Health: Resilience, Stress Management, and Emotional Well-Being. These discussions equipped attendees with practical knowledge on preventive healthcare and mental wellness.

The event also featured quizzes, aerobic fitness exercises, and comedy sessions, creating a lively and engaging atmosphere. The program closed with remarks from a Senior HR Manager, who encouraged employees to integrate healthy habits into their daily lives. The celebration reinforced BUA Cement's ongoing effort to promote mental, physical, and emotional well-being across its workforce.

B. Social (Cont'd.)

Executive Snapshot – 2025 BUA Cement Awards & End-of-Year Party

The 2025 BUA Cement Awards and End-of-Year Party celebrated excellence, teamwork, and organisational values, recognising 80 high-performing employees for their outstanding contributions throughout the year. The award programme was led by HR and supported by management, with Directors and Chiefs of Department actively involved in presenting awards and acknowledging employee achievements.

Awardees included Employees of the Quarter and Mid-Year Exceptional Performers, honoured in structured batches that ensured a seamless and memorable recognition process. The event blended cultural performances, creative presentations, and interactive activities, fostering a sense of unity, pride, and engagement among staff.

Beyond celebration, the event served as a strategic platform for strengthening leadership-employee connection, reinforcing a culture of appreciation, and enhancing morale. The end-of-year gathering left a lasting impact across the workforce, renewing motivation and promoting a cohesive, high-performance work environment aligned with the Company's organisational values.

Health and Safety

BUA Cement remains deeply committed to fostering a strong health and safety culture built on proactive risk management, robust operational controls, and continuous capacity development. In 2025, the Company advanced the implementation of its Occupational Health & Safety Management Plan under the ESMS, strengthening compliance frameworks, enhancing frontline supervision, and deepening safety awareness across all operations. A renewed emphasis on behavioural safety, extensive training, and structured field engagement further supported the Company's mission to achieve zero harm while safeguarding the well-being of employees, contractors, and host community stakeholders.

Safety Metrics	2025	2024
NM+UC/A[1]	9,334	1,136
FA	183	244
MT	5	3
RW	1	2
HSE Training hours	10,934	2,429
All Training hours including HSE	68,774	13,617
% Work hours dedicated solely to HSE training	0.08%	0.02%
% Work hours dedicated to all trainings, including HSE	0.51%	0.12%
LTIFR	0.30	0.81

[1]Near miss, unsafe condition and unsafe act

Health and safety performance in 2025 reflects substantial system strengthening, enhanced workforce engagement, and improved injury outcomes across BUA Cement's operations. The year recorded a significant rise in reported near misses, unsafe conditions, and unsafe acts, reaching 9,334 cases, a 722% increase from 2024. This increase is a positive indicator of heightened hazard awareness and improved reporting behaviour, reflecting a more transparent and proactive safety culture. Employees demonstrated increased vigilance, contributing to earlier risk identification and more effective mitigation actions before incidents occurred.

Lost Time Injuries (LTI) decreased markedly from 9 to 4 cases, representing a 56% reduction, and the Lost Time Injury Frequency Rate (LTIFR) dropped significantly from 0.81 to 0.30, underscoring the effectiveness of strengthened controls, safer work practices, and enhanced field supervision. First Aid cases declined by 25%, while medically Treated cases increased slightly, indicating better escalation of moderate incidents for appropriate treatment. Restricted work cases fell by 50%, further reflecting improvements in incident severity and overall safety performance.

During the reporting year, BUA Cement advanced several major initiatives to reinforce operational safety. A comprehensive Permit to Work (PTW) system was deployed across operations, ensuring that high-risk work activities are rigorously controlled and monitored. This was supported by robust enforcement of critical safety procedures, including Contractor Management, Work at Height, Energy Isolation, Confined Space Entry, PPE Compliance, Site Access Control, and Incident Reporting & Investigation. Regular PTW audits, mandatory gas testing prior to Confined Space Entry, and strengthened LOTOTO implementation, complete with locks and lockout boxes, further enhanced operational discipline and energy safety assurance.

Training remained a central pillar of the Company's safety strategy. In 2025, 68,774 total training hours were delivered across the organisation, of which 10,934 training hours were dedicated to HSE, representing a remarkable 350% increment up from the 2,429 hours reported in the previous year. This implies a significant 0.08% of the work hours dedicated to HSE training, demonstrating a remarkable achievement from 0.02% reported in the previous year. A tangible increment of 317%, from 0.12% reported previously, was achieved as dedicated working hours

B. Social (Cont'd.)

Health and Safety Cont'd.

on all training, including HSE, during the reporting period. HSE training modules were deliberately tailored to address critical plant-specific risks, including Risk Awareness, Work at Height, Confined Space Entry, Hot Work, Energy Isolation, Firefighting and Prevention, Quarry Safe Operations, First Aid, Root Cause Analysis (RCA), and Environmental Compliance. These programmes were executed through structured, coordinator-led sessions, reflecting a shift toward fit-for-purpose, competency-based training aligned with the organisation's zero-harm philosophy.

Emergency preparedness continued to be reinforced through sustained monthly scenario-based emergency drills, strengthening readiness for various incident scenarios. In addition, mandatory daily HSE inspections were conducted across both plants to reinforce field compliance, operational discipline, and behavioural accountability. Monthly management walk-throughs further enhanced leadership presence on the shop floor, enabling senior leaders to engage directly with frontline employees, identify unsafe conditions first-hand, and provide on-the-spot corrective direction.

In Sokoto, progress on the HCSE-Improvement Plan, developed during a cross-functional working session in late 2024, was reviewed between programme sponsors, champions, and plant leadership. The review assessed progress, challenges, and priorities, ensuring continuous alignment with the overarching objective of transitioning from a lagging-indicator culture toward a proactive risk mitigation model. This shift is progressively embedding predictive safety thinking across operational teams.

In Obu, the annual Walk for Life Fitness Programme continued to promote health, camaraderie, and employee well-being. The December event brought together staff from across the plant, engineers, technicians, administrative personnel, and leaders, for a collective fitness walk marked by music, lively energy, team bonding, and shared motivation. The event reinforced the connection between physical wellness, mental balance, and a safe, productive workforce.

Overall, 2025 marked a transformative year for BUA Cement's Health and Safety performance. With strengthened governance, enhanced training, proactive field management, and deeper employee engagement, the Company continues to advance toward a mature, prevention-driven safety culture aligned with global best practices and its ESMS framework.

World Day for Safety and Health at Work 2025

BUA Cement commemorated the 2025 World Day for Safety and Health at Work with an expanded week-long program themed "Revolutionising Health and Safety: Let's Innovate in H&S". By extending the traditionally one-day event into a multi-day engagement, BUA Cement ensured broad participation, heightened safety awareness, and meaningful reinforcement of proactive risk management across operational teams.

The week began on 28th April 2025, with the official launch of the H&S Days by the plant's senior Management team. Leadership reaffirmed the organisation's commitment to continuous improvement, innovation, and the adoption of modern safety practices. The launch set the tone for a series of activities focused on engagement, visibility, and operational excellence.

A major highlight of the week was the HCSE Improvement Plan Caravan, which moved through key operational locations, including the Quarry, LNG Plant, Line 4 & 5 CCR, Packing Plants, and Trailer Yard. This mobile engagement created opportunities for functional teams to interact directly with safety champions, gain deeper understanding of the HCSE plan, welcome feedback, and discuss proactive safety strategies. The caravan ensured safety messaging reached both high-risk and remotely positioned operational areas, promoting unified understanding across shifts and departments.

The celebration also featured the highly anticipated H&S Championship Quiz. The session encouraged peer learning, teamwork, and healthy competition, with participants answering questions on key safety protocols and hazard identification.

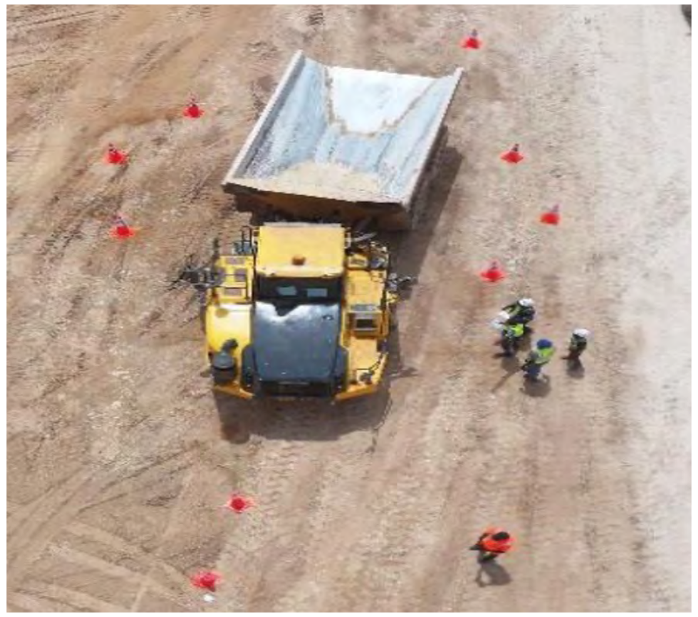
B. Social (Cont'd.)

Six champions emerged and were recognised for outstanding contributions, including:

- The initiator of the new digital H&S reporting tool,
- Champion for fabrication of LOTOTO boxes,
- Champion for confined space initiative,
- Champion for work-at-height initiative,
- Champion for energy isolation initiative, and
- The overall winner of the H&S competition.

This recognition reinforced innovation and rewarded employees who drive high-impact safety improvements across the plant.

In support of visual awareness and spatial safety, blind spot exercises were carried out across the Quarry, Green Area, and Trailer Yard. These exercises helped personnel and equipment operator understand better the blind zones, improve communication protocols, and enhance the safety of pedestrian–equipment interactions, a key operational risk area in cement manufacturing.



A key milestone during the week was the launch of the new safety reporting system, accessible via pre-set QR code system, implemented to modernise safety reporting and streamline incident notification. The launch was accompanied by a monthly safety briefing, reinforcing digital transformation as a lever for improved reporting culture, faster communication, and enhanced data accuracy.

Emergency preparedness also took center stage with Mock Drill 3, simulating an LNG release at the LNG Plant. This exercise enabled emergency teams to practice coordinated response procedures, validate the efficiency of communication channels, assess readiness under simulated pressure, and identify areas for further enhancement in line with global best practices.

The week-long celebration concluded on 2nd May 2025, with an award ceremony recognising safety champions for their contributions to operational excellence. Senior Leadership presented certificates and commendations to employees who demonstrated outstanding commitment to safety, innovation, leadership, and compliance. The closing event reinforced organisational pride, strengthened team cohesion, and celebrated the collective efforts that continue to advance BUA Cement's proactive safety culture.

Overall, the 2025 World Day for Safety and Health at Work served as a powerful platform for reinforcing operational discipline, promoting innovation-driven safety practices, and deepening employee engagement. Through immersive activities, technical drills, digital tool integration, and structured recognition, BUA Cement strengthened its safety ecosystem and reaffirmed its commitment to ensuring a resilient, empowered, and incident-free workplace.

B. Social (Cont'd.)

CONCLUSION

The 2025 reporting year reflects BUA Cement's continued progress toward integrating sustainability considerations into its operations through strengthened governance systems, enhanced environmental performance, and deepened social initiatives. Across all pillars of ESG, the Company demonstrated resilience, transparency, and strategic intent, reinforcing its commitment to responsible growth and long-term value creation.

In environmental stewardship, the Company advanced the implementation of its ESMS and ESAP frameworks, improved emissions accounting methodologies, expanded monitoring systems for air and water, and intensified circular economy initiatives that supported both resource efficiency and waste minimisation. Landmark efforts in land rehabilitation, water conservation, renewable energy planning, and ecosystem restoration highlight BUA Cement's determination to align its operations with global sustainability expectations and the realities of a climate-conscious industrial landscape.

Social performance during the year was characterised by increased meaningful engagement with host communities, strengthened local content development, and innovative empowerment programmes implemented across Sokoto and Obu. Through targeted skills training, job readiness development, livelihood restoration, and transparent stakeholder engagement, the Company continued to build trust, reduce disruptions, and support local capacity for long-term socio-economic resilience. These efforts were complemented by focused CSR investments that delivered significant impact to over 36,900 beneficiaries across education, empowerment, infrastructure, health, and WASH.

Health and Safety remained central to sustaining operational excellence, with significant improvements in hazard reporting, strengthened controls through a new Permit to Work system, and a dramatic rise in training hours that reflect the Company's dedication to cultivating a proactive, zero-harm culture. Major safety events, including the World Day for Safety and Health at Work celebration, reinforced innovation, emergency preparedness, and employee engagement, solidifying the Company's progression toward a mature, prevention-driven safety model.

As BUA Cement looks ahead, the Company remains unwavering in its commitment to sustainability leadership. Planned expansions in LNG capacity, continued refinement of safety systems, and the ongoing implementation of ESMS frameworks will anchor future improvements in environmental performance, operational resilience, and community impact. The Company will continue to strengthen transparency, invest in capacity building, foster inclusive growth, and align its sustainability strategy with global frameworks that support long-term decarbonization, circularity, and socio-economic progress.

Through strategic intent, disciplined execution, and a steadfast commitment to responsible operations, BUA Cement reaffirms its ambition to build a more sustainable future for its employees, communities, partners, and the environment.

Sustainable Development Goals

GOOD HEALTH AND WELL-BEING

Supported the Okpella annual sports festival tournament, being our commitment to mental and general well-being

Provided 11 communities in Sokoto with medicines, facilitating the availability of life-saving drugs

QUALITY EDUCATION

Disbursed yearly scholarships to students within the Okpella and Egbetua communities in Edo State

Continued with the annual funding of the BUA Cement Primary School (formerly the Sokoto Cement Primary School) on Wurno Road, Sokoto State

Sustained the annual award of scholarships to students from Kebbi, Sokoto and Zamfara States undertaking STEM programs

CLEAN WATER AND SANITATION

Constructed four solar-powered boreholes within the Oguda community in Kogi State, guaranteeing access to safe water supply

Provided a water borehole to the Illela community in Sokoto State

AFFORDABLE AND CLEAN ENERGY

Procured and installed a generator for the Egbetua community, Ososo in Edo State, securing access to reliable energy

Provided solar-powered electricity at the BUA Cement Primary School (formerly Sokoto Cement Primary School)

Sustainable Development Goals Cont'd.

PARTNERSHIP FOR THE GOALS

Provided support to the National Association of Okpella Students (NAOS) towards the secretariat project

Partnered with the National Youth Service Corps (NYSC), Okpella towards their CSR project

SUSTAINABLE CITIES AND COMMUNITIES

Payment of annual development levies to the Okpella and Egbetua communities, keeping with our commitment to building safe, resilient and sustainable communities

Electrified resettlement centres 1 & 2 in Illela, Sokoto State, focusing on safe communities with basic services

Constructed two classroom blocks for a primary school at the Illela resettlement community in Sokoto State, a focus on a functional and resilient settlement

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Graded the Egbetua-Ososo road to create a smooth surface, ensuring the safety of road users

Invested in infrastructure resilience with the construction of a ring culvert at Sabon Gari in Sokoto State

DECENT WORK AND ECONOMIC GROWTH

Sustained the annual skill acquisition program for indigenes of Okpella, Edo State

Awarded agricultural grants to farmers in Sokoto, being a part of our livelihood restoration program and in support of socio-economic resilience within the host community

Managing Director, Yusuf Binji and Company Secretary, Hauwa Satomi, receiving the Most Compliant Listed Company award from the NGX.

Corporate Governance

03

Corporate Information

Company Registration Number

RC 1193879

Board of Directors

Abdul Samad Rabiu CON, CFR.	Nigerian	Chairman
Yusuf Binji	Nigerian	Managing Director/Chief Executive Officer
Chikezie Ajaero	Nigerian	Chief Financial Officer/Executive Director
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)
FF Millennium Towers
Ligali Ayorinde Street
Victoria Island
Lagos.

Principal Bankers

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

Corporate Governance Report

Opening Statement of the Chairman on Corporate Governance

Dear Stakeholders,

BUA Cement Plc is committed to maintaining a strong corporate governance framework that supports the achievement of its strategic objectives and long-term sustainability. The Company conducts its operations with integrity, transparency, and accountability, while upholding the highest ethical standards across all levels of the organisation.

The Board of Directors recognises that sound corporate governance is essential to building and sustaining stakeholders' trust, driving sustainable growth, and safeguarding stakeholders' value. Accordingly, the Company continues to align its governance framework with applicable laws, regulations, and recognised best practices, including the Nigerian Code of Corporate Governance (NCCG) 2018, the Companies and Allied Matters Act (CAMA) 2020, the Rules of the Nigerian Exchange Limited (NGX), and the regulations of the Securities and Exchange Commission (SEC).

As a listed company on the Nigerian Exchange, BUA Cement fosters a governance culture that promotes transparency, fairness, and effective oversight. The Board provides strategic direction and oversight, ensuring that Management acts in the best interests of shareholders and other stakeholders. The Company places strong emphasis on risk management, regulatory compliance, and sustainability, recognising their importance to operational resilience and long-term value creation.

Transparency and stakeholder engagement remain key elements of the Company's governance framework. Shareholders and stakeholders are kept well-informed of the Company's performance, material developments, and governance practices through timely disclosures and continuous communication. Shareholders are encouraged to participate actively in the Company's Annual General Meetings (AGMs) and other shareholders engagement platforms.

To support effective governance, the Company operates a structured framework comprising the Board of Directors, Board Committees, Management, and Governance Charters and Policies. Through these structures, the Company ensures that decisions are made with integrity and are guided by the principles of fairness, transparency, and accountability. The Company remains steadfast in its commitment to continuous improvement in its governance practices, in line with evolving regulatory expectations and international best practices.

The Board

The Board is composed of individuals with an appropriate mix of knowledge, skills, experience, and expertise to provide effective oversight of the Company. As the apex decision-making body, the Board is responsible for overseeing the management of the Company and ensuring that its resources and assets are judiciously utilised to enhance shareholders' value and support long-term sustainable growth. The Directors bring a diversity of professional experience and perspectives, which supports effective decision-making and enables the Board to provide sound leadership in a dynamic and competitive business environment.

The Board operates in accordance with its Board Charter, which sets out its roles, responsibilities, and scope of authority. The Board provides overall strategic direction for the Company by approving its strategic and financial objectives and overseeing Management's execution of the approved action plans. In discharging its responsibilities, the Board reviews and approves succession plans for Directors and senior management, oversees the adequacy and effectiveness of the Company's risk management frameworks and internal control systems, and ensures compliance with applicable laws, regulations, and corporate governance standards.

This governance framework supports the Board in the effective discharge of its oversight responsibilities and promotes the sustainable creation of long-term value for the Company and its shareholders.

Composition of the Board

In accordance with the Company's Articles of Association and the Nigerian Code of Corporate Governance (NCCG) 2018, the Board is composed of nine Directors, a size considered appropriate for the effective oversight of the Company's operations and governance.

As at 31st December 2025, the Board comprised four Non-Executive Directors, three Independent Non-Executive Directors, and two Executive Directors. Together, the Directors bring a diverse mix of expertise, skills, and business experience, which support sound and well-informed decision-making in pursuit of the Company's objectives. The Directors continue to demonstrate a clear understanding of their fiduciary responsibilities and act in the best interests of the Company and its stakeholders.

Board Changes

During the year under review, there were no changes to the composition of the Board.

The Chairman and the Chief Executive Officer

In accordance with the Nigerian Code of Corporate Governance 2018, the roles of the Chairman and the Managing Director/Chief Executive Officer (MD/CEO) are separate and are not discharged by the same individual. The Chairman provides leadership to the Board and ensures that it discharges its statutory and regulatory responsibilities. In consultation with the MD/CEO and the Company Secretary, the Chairman approves the agenda for Board meetings and facilitates effective deliberations and participation.

The MD/CEO is responsible for the execution of the Company's strategy and the management of its day-to-day operations within the limits of authority delegated by the Board and in accordance with approved policies.

Each Executive Director is issued a formal contract of employment

Corporate Governance Report Cont'd.

that sets out the terms of engagement and clearly defines their roles and responsibilities. Upon appointment, Directors are required to disclose any potential conflicts of interest and to complete a declaration of interest form for submission to the Board. Such declarations are subject to annual review and are updated as circumstances arise.

Non-Executive Directors

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

Upon appointment, each Director participates in a tailored induction programme aligned with the Company's Board Induction Policy and the Nigerian Code of Corporate Governance (NCCG) 2018, designed to address their specific needs. Directors have appropriate access to management and information necessary to fulfil their oversight responsibilities. Non-Executive Directors are required to disclose any conflicts of interest upon appointment, annually, or as they arise, to ensure transparency and integrity in decision-making.

Independent Non-Executive Directors

In compliance with Section 14(1) of the Business Facilitation (Miscellaneous Provisions) Act, 2022, and Principle 7.2 of the Nigerian Code of Corporate Governance (NCCG), the Company has three Independent Non-Executive Directors, representing one-third of the Board.

Their appointments are made in accordance with the Company's Board Appointment Policy, through a rigorous and transparent evaluation of requisite skills, experience, independence, and personal integrity. The Governance, Establishment, and Remuneration Committee (GERC) oversees this process and recommends suitable candidates to the Board for approval.

The duties, liabilities, and terms of engagement of the INEDs are set out in their letters of appointment. Their independence is confirmed annually through conflict-of-interest declarations and review by the Governance, Establishment, and Remuneration Committee.

In line with Principle 7.2.1 of the NCCG 2018, their shareholding in the Company does not exceed 0.01%. They also have access to independent professional advice at the Company's expense, where required for the effective discharge of their responsibilities.

The Company Secretary

The Company Secretary, who also serves as the Chief Legal Officer, is a key member of the Management team, responsible for promoting sound corporate governance practices across the Company. She reports functionally to the Chairman of the Board and administratively to the Managing Director/Chief Executive Officer and has direct access to the Board and its Committees.

Appointed by the Board following a rigorous selection process, the Company Secretary provides support, governance advisory services, and legal guidance to the Board and individual Directors on their powers, duties, and responsibilities. In her capacity as Chief Legal Officer, she ensures that the Company's operations are conducted in compliance with applicable laws, regulations, and internal policies, while safeguarding the Company's interests.

She also serves as a trusted governance adviser and business partner to the Board and its Committees, supporting effective decision-making in accordance with applicable laws and regulations. In addition, she coordinates the activities of the Board and its Committees, including organising meetings, maintaining proper records, and serving as Secretary to all Board Committees.

The Central Management Team

The Managing Director/Chief Executive Officer (MD/CEO), supported by the Central Management Team, is responsible for the day-to-day management and operations of the Company in line with policies and strategies approved by the Board. The MD/CEO ensures strict compliance with applicable laws, regulations, and ethical standards, and promotes a culture of integrity and accountability across the organisation.

The Central Management Team holds weekly meetings, or as required, to deliberate on key operational matters, review performance, and address emerging business issues. These meetings provide a structured platform for informed decision-making and alignment with the Company's strategic objectives.

Board Appointment Process

The Board continuously enhances its effectiveness by appointing individuals with the requisite skills, expertise, and diverse perspectives, while retaining valuable institutional knowledge and experience to promote continuity.

The Governance, Establishment, and Remuneration Committee (GERC) plays a key role in ensuring that the composition of the Board aligns with the requirements of the Nigerian Code of Corporate Governance (NCCG) 2018. When a vacancy arises, the GERC identifies the competencies required, evaluates prospective candidates, and, following a rigorous assessment and interview process, recommends the most suitable candidate to the Board for approval.

Board Meetings

The Board holds quarterly meetings in line with the approved Annual Board Calendar to discharge its oversight responsibilities and evaluate Management's performance. Special meetings are convened as necessary to address urgent matters requiring prompt attention.

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

Notices, agendas, and meeting papers are circulated well in advance of meetings to enable informed deliberations. Directors who are unable to attend meetings are provided with all relevant documents to remain informed on the Company's affairs.

Corporate Governance Report Cont'd.

In November 2025, the Board approved an increase in staff salaries as part of its oversight of employee welfare and retention in the prevailing economic climate. This decision reflects the Board's continued commitment to workforce stability and organisational sustainability.

During the year, the Board also noted and supported employee recognition initiatives implemented by Management. As part of these initiatives, a long service award programme was conducted to recognise staff loyalty, dedication, and contributions to the Company's growth.

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

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

Name of Directors	Designation	Date of meeting and attendance				
		27/02/25	24/04/25	25/07/25	27/10/25	11/12/25
Abdul Samad Rabiu, CON, CFR.	Chairman	P	P	P	P	P
Yusuf Binji	MD/CEO	P	P	P	P	P
Chimaobi Madukwe	NED	P	P	P	P	P
Kabiru Rabiu	NED	P	P	P	P	P
Finn Arnoldsen	NED	P	P	P	P	P
Khairat A. Gwadabe	INED	P	P	P	P	P
Shehu Abubakar	INED	P	P	P	P	P
Chikezie Ajaero	ED/CFO	P	P	P	P	P
Ganiat A. Siyonbola	INED	P	P	P	P	P

Note: P = Present

Board Committees

In addition to the Statutory Audit Committee, the Board discharges its oversight responsibilities through four Board Committees, each operating under a defined framework that sets out their powers, tenure, and responsibilities. These Committees are the Finance and General-Purpose Committee, the Governance, Establishment and Remuneration Committee, the Board Audit Committee, and the Risk Management Committee.

The Committees assist the Board in overseeing the Company's operations and reviewing strategies aimed at enhancing long-term performance.

Each Committee reports to the Board in line with the approved reporting framework. While the Board retains ultimate decision-making authority, the Committees provide informed guidance and recommendations on matters presented to them by Management.

(a) Finance and General-Purpose Committee

The Finance and General-Purpose Committee is responsible for reviewing and making recommendations to the Board regarding the Company's periodic and long-term financial strategies and objectives. The Committee consists of five members: one Independent Non-Executive Director, two Non-Executive Directors (including the Chairman of the Committee), and two Executive Directors.

The Committee's mandate includes reviewing annual budgets, audited and management accounts, assessing the Company's capital structure, evaluating contracts above Management's approval limits, and undertaking periodic reviews of the Company's financial position and liquidity. Through these activities, the Committee provides strategic financial guidance and supports the Board in achieving the Company's financial objectives.

Report on FGPC Activities

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

Name	Designation	Date of meeting and attendance				
		25/02/25	22/04/25	23/07/25	23/10/25	9/12/25
Kabiru Rabiu	Chairman (NED)	P	P	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P	P
Yusuf Binji	Member (ED/MD)	P	P	P	P	P
Chikezie Ajaero	Member (ED/CFO)	P	P	P	P	P

Note: P = Present

Corporate Governance Report Cont'd.

(b) Governance, Establishment and Remuneration Committee

The Governance, Establishment, and Remuneration Committee (GERC) supports the Board in the discharge of its responsibilities relating to corporate governance, Board and Senior Management appointments, succession planning, and remuneration oversight. The Committee operates under a Board-approved charter, which clearly defines its roles, responsibilities, and authority.

The Committee establishes criteria for Board and Committee membership, assesses prospective Directors, and identifies the skills, experience, and competencies required to maintain an effective Board and Senior Management team. It also oversees succession planning to ensure leadership continuity across the Board and Senior Management.

In addition, the Committee reviews Board and Committee charters and monitors the implementation of the Company's Code of Conduct and other key governance policies to promote high standards of ethical conduct and corporate governance across the Company. The Committee oversees the Board's performance evaluation process and reviews Directors' training and continuing development needs to support ongoing effectiveness.

During the year, and in line with the Nigerian Code of Corporate Governance (NCCG) 2018, the Committee facilitated a Board retreat aimed at enhancing Board effectiveness, strategic alignment, and governance practices.

The Committee also considers and makes recommendations to the Board on the appointment of key management personnel, where required, based on Management's recommendation.

As part of its governance oversight role, the Committee reviews corporate governance reports presented by the Company Secretariat on a bi-annual basis and provides guidance, where necessary, on governance and compliance matters.

With respect to remuneration oversight, the Committee reviews remuneration frameworks and incentive arrangements and makes recommendations to the Board to ensure that remuneration structures are fair, competitive, and aligned with the Company's long-term strategic objectives.

Report of the Governance, Establishment and Remuneration Committee

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

Name	Designation	Date of meeting and attendance				
		26/02/25	23/04/25	24/07/25	22/10/25	10/12/25
Khairat A. Gwadabe	Chairman (INED)	P	P	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P	P	P
Kabiru Rabiu	Member (NED)	P	P	P	P	P
Finn Arnoldsen	Member (NED)	P	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P	P

Note: P = Present

(c) Risk Management Committee

The Risk Management Committee supports the Board in overseeing the Company's risk management framework by evaluating the nature, extent, and categories of risks facing the Company, their likelihood of occurrence, and the Company's capacity to manage and mitigate these risks.

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

Its key responsibilities include overseeing the internal control framework, obtaining reasonable assurance on the effectiveness of the risk management and internal control systems, and reviewing the Company's risk management policies, including risk appetite and risk strategy, for recommendation to the Board where required. In carrying out its duties, the Committee ensures compliance with regulatory requirements and supports the adoption of sound risk management practices to enhance the safety, security, and sustainability of the Company's operations.

Report of the Risk Management Committee Activities.

During the year under review, the Committee held four (4) scheduled meetings to consider Management reports, evaluate risk-related matters, and provide recommendations to the Board. Details of members' attendance are provided in the table below:

Name	Designation	Date of meeting and attendance			
		26/02/25	23/04/25	24/07/25	22/10/25
Finn Arnoldsen	Chairman (NED)	P	P	P	P
Khairat A. Gwadabe	Member (INED)	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P
Yusuf Binji	Member (ED/MD)	P	P	P	P
Chikezie Ajaero	Member (CFO/ED)	P	P	P	P

Note: P = Present

Corporate Governance Report Cont'd.

(d) Board Audit Committee

In compliance with Principle 11.4.7 of the NCCG 2018, the Board constituted a Board Audit Committee (BAC). The BAC operates under a Board-approved Charter and is composed of two Non-Executive Directors and three Independent Non-Executive Directors with financial literacy and the ability to analyse financial statements. The Committee is chaired by an Independent Non-Executive Director.

The BAC supports the Board in overseeing Management's processes to ensure the accuracy, integrity, and reliability of the Company's financial reporting. Its responsibilities include reviewing interim and annual financial statements, monitoring compliance with applicable accounting standards and regulatory requirements, overseeing the internal audit function, and reviewing the effectiveness of the Company's internal control systems. The Committee also reviews internal audit policies and processes and provides oversight on the safeguarding of corporate assets.

The Committee held three (3) scheduled meetings during the year, and the attendance record is presented below:

Name of Member	Designation	Date of meeting and attendance		
		25/02/25	23/07/25	22/10/25
Shehu Abubakar	Chairman (INED)	P	P	P
Finn Arnoldsen	Member (NED)	P	P	P
Khairat A. Gwadabe	Member (INED)	P	P	P
Chimaobi Madukwe	Member (NED)	P	P	P
Ganiat A. Siyonbola	Member (INED)	P	P	P

Note: P = Present

(e) Statutory Audit Committee

In compliance with Section 404 of the Companies and Allied Matters Act (CAMA) 2020, the Company constituted the Statutory Audit Committee. In line with the provisions of Section 404(3) of CAMA 2020, the Committee consists of three shareholders and two Non-Executive Directors. Members of the Committee possess diverse expertise in accounting, finance, taxation, risk management, business administration, and law.

In accordance with Section 404(7) of CAMA 2020, the Committee reviews the scope and planning of audit engagements, examines auditors' findings and Management's responses, and assesses the adequacy of the Company's internal controls and financial reporting systems.

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

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

Name of Member	Designation	Date of meeting and attendance				
		25/02/25	22/04/25	23/07/25	23/10/25	9/12/25
Ajibola A. Ajayi	Chairman	P	P	P	P	P
Kabiru A. Tambari	Member	P	P	P	P	P
Oderinde Taiwo	Member	P	P	P	P	P
Kabiru Rabiu	Member (NED)	P	P	P	P	P
Ganiat A. Siyonbola	Member (INED)	P	P	P	P	P

Note: P = Present

Corporate Governance Report Cont'd.

Risk Management Framework

BUA Cement Plc has established a robust Enterprise Risk Management (ERM) Framework designed to align with recognised international standards and leading corporate governance practices. The Company adopts a structured and integrated approach to identifying, assessing, mitigating, and monitoring risks across its operations. The Framework comprises four key components:

i. Risk Identification: Systematic identification of potential events, conditions, or actions that may affect the achievement of business objectives.

ii. Risk Assessment/Measurement: Evaluation of the likelihood and potential impact of identified risks on the Company's objectives.

iii. Risk Treatment/Control: Development and implementation of appropriate risk responses and controls to manage identified risks within acceptable levels.

iv. Risk Monitoring and Review: Continuous assessment of risk exposure and the effectiveness of controls, including follow-up actions to ensure responsiveness to evolving internal and external conditions.

This approach enhances compliance with applicable laws and regulations and strengthens the Company's capacity for risk prevention, early detection, and effective mitigation of enterprise risks.

Shareholders

The Board and Management are committed to open, transparent, and timely communication with shareholders, investors, and other stakeholders. In accordance with regulatory requirements, shareholders receive the Annual Report at least 21 days prior to the Annual General Meeting (AGM).

Shareholders also receive relevant information through the Company's website and the Nigerian Exchange Issuers' Portal and are given the opportunity to raise questions and engage with the Board and Management at the AGM.

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

Board Retreat and Continuing Training for Directors

During the year under review, the Board held a two-day retreat focused on the Company's strategic direction, growth opportunities, and long-term business sustainability. The retreat provided a platform for in-depth deliberations on corporate strategy, market development, and performance optimisation.

In line with the Directors' Training Policy and Training Plan, Board members participated in various training programs aimed at enhancing their knowledge, strengthening governance effectiveness, and deepening their understanding of regulatory and industry developments.

The Training Plan covered the following areas: corporate governance, regulatory and fiduciary responsibilities, company strategy, financial oversight, risk management, ethics, compliance, and relevant industry developments.

Information Flow and Access to Management

Board papers are circulated ahead of each meeting. The Managing Director presents relevant reports, along with supporting documents, for the Board's consideration, deliberation, and approval, as appropriate. The Board maintains effective communication with Management. The Company Secretary provides guidance on international best practices, corporate governance, and ethical standards to individual Directors and the Board. She also presents governance-related matters when required or when invited to do so.

Access to Independent Advice

In line with international best practices, the Board may obtain independent professional advice at the Company's expense, where necessary. This supports Directors in the effective discharge of their duties and informed decision-making.

Whistleblowing Policy

The Company is committed to upholding high ethical standards and fostering a culture of transparency, integrity, and accountability. The Company has established a Whistleblowing Policy, which provides a framework for employees and other stakeholders to report suspected breaches of the Company's Code of Business Conduct and Ethics (CoBC) without fear of retaliation. Reports may be submitted through the Integrity Line available on the Company's website. The Whistleblowing mechanism is periodically reviewed to ensure its effectiveness.

The Policy provides for the anonymity and protection of whistleblowers reporting suspected illegal, corrupt, unethical, or improper conduct. The Whistleblowing Policy is available at: https://www.buacement.com/documents/BUA-CEMENT-PLC-WHISTLE-BLOWING-POLICY20241011130326.pdf.

Insider Information Policy

In compliance with the Investments and Securities Act 2025, the Nigerian Code of Corporate Governance (NCCG) 2018, and the rules of the Nigerian Exchange Limited, the Company maintains an Insider Information and Insider Trading Policy. The Policy restricts Directors, employees, and any persons with access to material non-public information from trading in the Company's securities during Closed Periods or any unauthorised trading periods.

Beyond regulatory compliance, the Company emphasises the protection of confidential, price-sensitive information by Directors, employees, and relevant stakeholders. The Company Secretary periodically reminds Directors, employees, and other relevant individuals about their obligations under the Policy, particularly during Closed Periods. The Company Secretary also

Corporate Governance Report Cont'd.

maintains procedures for monitoring trading in the Company's securities to ensure compliance with applicable regulations and to prevent the risk of breaches by Directors or employees.

Succession Planning

BUA Cement Plc maintains a succession planning policy designed to support leadership continuity and business stability. The Policy provides a structured framework for identifying critical roles, assessing internal talent, and preparing high-potential employees for future leadership positions through targeted development initiatives.

During the year, the Board engaged an external consultant to provide advisory support in further strengthening the implementation of the Policy and enhancing transition planning processes. This formed part of the Company's continuous improvement approach to successful succession planning and talent management.

Board and Corporate Governance Evaluation

The Board has implemented a Board Evaluation Policy to promote excellence and continuous improvement. The Policy provides a structured approach for assessing the performance of the Board, its committees, and individual Directors.

In line with Principle 15 of the Nigerian Code of Corporate Governance (NCCG) 2018, the Board has established a formal system for evaluating its performance. Following an externally facilitated evaluation conducted in the prior year, the Company Secretary has initiated the process for this year's internal Board evaluation. The Board performance evaluation assesses the effectiveness of the Board, its Committees, and individual Directors, with a view to identifying areas of improvement in governance and oversight.

Corporate Governance Awards and Recognition

In recognition of its corporate governance practices, the Company received a Corporate Governance Award from the Chartered Institute of Directors Nigeria, in collaboration with the Nigerian Exchange Group in recognition of the Company's commitment to high standards of integrity, transparency, and best-practice corporate governance. The Company was also honoured with the NGX Made of Africa Award for Most Compliant Listed Company by the Nigerian Exchange Group.

These recognitions reflect the Company's commitment to upholding high standards of corporate governance and regulatory compliance.

Conflict of Interest

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

The Policy requires newly appointed Directors to disclose their interests in any entities where they serve as directors, officers, employees, auditors, creditors, or significant shareholders. In accordance with the Policy, any Director with a potential conflict of interest in a related-party transaction is required to disclose such conflict to the Board through the Company Secretary before or at the relevant meeting and to abstain from discussions and voting on the matter.

During the year under review, all Directors duly completed the Declaration of Interest forms in line with the Policy.

Code of Conduct and Ethics

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

The CoBC is periodically reviewed to ensure its continued relevance and effectiveness. Employees are required to adhere to its principles, and new hires acknowledge their commitment to the Code as part of the onboarding process.

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

Code of Conduct for Suppliers and Service Providers

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

All new contracts with suppliers and service providers incorporate the Code of Conduct by reference. This approach ensures consistent adherence to ethical standards across all business relationships.

Data Protection

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

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

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

During the period under review, the Company conducted its annual Data Protection Compliance audit through a licensed Data Protection Compliance Organisation (DPCO) in accordance with applicable regulatory requirements. The Compliance Audit Return for 2025 is scheduled to be filed with the Nigeria Data Protection Commission (NDPC) before the regulatory deadline of 31st March 2026, in fulfilment of statutory obligations and in support of robust data governance practices.

Corporate Governance Report Cont'd.

Related Party Transactions

The details of the transactions of the Company with its related parties during the review period are outlined in Note 31 of the Financial Statements.

Remuneration of Directors

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

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

Sustainability

Since its inception, BUA Cement's Board and Management have maintained a focus on sustainability and the provision of solutions that support housing and infrastructure development. The Company prioritises quality and innovation in its operations to deliver value, meet the evolving needs of its customers, and contribute to economic empowerment and national development in Nigeria and across Africa.

In furtherance of its sustainability objectives, the Company seeks to minimise the environmental impact of its operations through compliance with applicable emission standards, initiatives to reduce freshwater consumption, water recycling and treatment, and reclamation efforts. The Company also supports government development initiatives aligned with the Sustainable Development Goals (SDGs). Its social investment programmes include educational scholarships, the provision of potable water through boreholes, support for healthcare facilities, and the development of community infrastructure in its areas of operation.

Review of Governance Policies and Charters

As part of its commitment to continuous improvement in corporate governance, the Board commenced the review of policies and charters to ensure alignment with recent developments, regulatory changes, and evolving best practices. During the year under review, the Governance, Establishment and Remuneration Committee (GERC) initiated the review of these policies and charters to ensure their continued relevance and effectiveness.

Compliance Statement

BUA Cement is committed to high standards of corporate governance and to conducting its business with integrity, transparency and accountability. The Company complies with the principles of the Nigerian Code of Corporate Governance (2018) and applicable regulatory requirements. In line with the disclosure requirements of the Nigerian Exchange Group, the Company maintains a compliance framework that is regularly reviewed to ensure alignment with regulatory expectations and its strategic objectives. This approach supports sustainable business practices and long-term value creation for stakeholders.

During the financial year under review, the Company recorded no contraventions of applicable laws and regulations, and no penalties were imposed on the Company.

By order of the Board of Directors

Hauwa Satomi (Mrs.)
Company Secretary/Chief Legal Officer
FRC/2022/PRO/NBA/002/00000023786
BUA Cement Plc,
Lagos, Nigeria.
26 February 2026.

Board of Directors

Abdul Samad Rabiu, CON, CFR.

Chairman

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

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

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

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

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

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

Board of Directors

Yusuf Binji

Managing Director/ Chief Executive Officer

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

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

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

Chikezie Ajaero

Chief Financial Officer / Executive Director

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

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

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

Board of Directors

Chimaobi Madukwe
Non-Executive Director

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

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

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

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

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

Kabiru Rabiu
Non-Executive Director

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

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

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

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

Board of Directors

Finn Arnoldsen
Non-Executive Director

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

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

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

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

Khairat 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. Khairat worked with the then Mobil Producing Nigeria as a Counsel in the Legal Department handling matters ranging from compensation claims resulting from oil spillage to internal legal advice on various issues to the company.

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

Board of Directors

Shehu Abubakar

Independent Non-Executive Director

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

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

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

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

Ganiat A. Siyonbola

Independent Non-Executive Director

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

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

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

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

Board of Directors

Hauwa Satomi

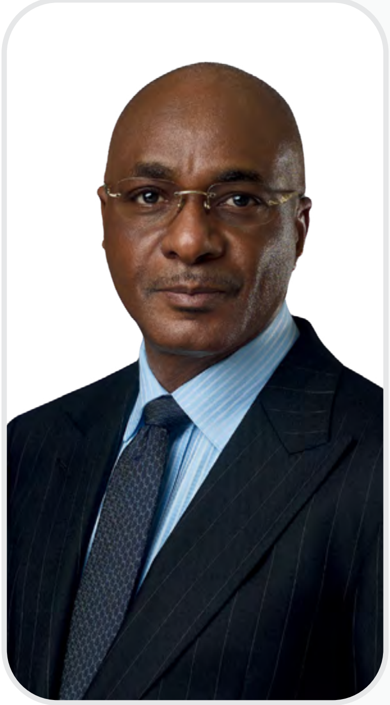
Company Secretary/ Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 16 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, Litigation Portfolio management, and review of commercial contracts. She is an Alumnus of the University of Maiduguri, Nigeria. She started her career at Ashemi and Co. She later joined Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 and rose to become a Legal Manager supporting the then Group Chief Legal Officer/Company Secretary. She also served as the Company Secretary of BUA International Limited and BUA Ports and Terminals Limited. She played a vital role in the merger of Cement Company of Northern Nigeria (CCNN) Plc with Obu Cement Company Plc, which metamorphosed into BUA Cement Plc.

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

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

Management Team



Yusuf Binji
Managing Director/ Chief Executive Officer

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

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

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

Chikezie Ajaero
Executive Director / Chief Financial Officer

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

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

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

Management Team

Hauwa Satomi
Company Secretary/ Legal Adviser

Hauwa Satomi is a Barrister and Solicitor of the Supreme Court of Nigeria with over 16 years experience in Company Secretariat Practice, Compliance Management, Corporate Governance, Legal Advisory, Litigation Portfolio management, and review of commercial contracts. She is an Alumnus of the University of Maiduguri, Nigeria. She started her career at Ashemi and Co. She later joined Manga Chambers where she rose to the position of Associate Partner. She joined BUA International Limited in 2016 and rose to become a Legal Manager supporting the then Group Chief Legal Officer/Company Secretary. She also served as the Company Secretary of BUA International Limited and BUA Ports and Terminals Limited. She played a vital role in the merger of Cement Company of Northern Nigeria (CCNN) Plc with Obu Cement Company Plc, which metamorphosed into BUA Cement Plc.

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

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

Ahmed Idris
Plant Director – Obu

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

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

Management Team

Aminu Bashar
Plant Director – Sokoto

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

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

Abdullahi Usman
Director, Strategic Supplies

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

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

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

Report of the Directors

The Board of Directors is pleased to present its report on the operations of the Company together with the Audited Financial Statements for the financial year ended 31st December 2025.

1. Legal Form

BUA Cement was incorporated as a private limited liability company on 30th May 2014 and commenced operations in August 2015. The Company was re-registered as a public limited liability company on 16th May 2019.

Following the successful completion of a business combination with the defunct Cement Company of Northern Nigeria Plc ("CCNN") through a scheme of merger concluded on 23rd December 2019, the Company was listed on the Nigerian Exchange Limited on 9th January 2020.

As at the date of this report, the Company's market capitalisation stands at approximately ₦6.0 trillion.

2. Principal Activities

The principal activities of the Company are the manufacture, sale, and distribution of cement and related products in Nigeria and international markets.

3. Result for the Year

The Company's financial results for the year ended 31st December 2025 are presented on page 87 of the Financial Statements. The profit for the year has been appropriated to retained earnings. A summary of the financial performance is set out below:

₦'000	31 December 2025	31 December 2024
Revenue from contracts with customers	1,179,444,900	876,469,849
Profit before tax	465,276,220	99,630,182
Income tax	(109,237,945)	(25,720,949)
Profit after tax	356,038,275	73,909,233

4. Dividend Declaration

The Board of Directors recommends, for shareholders' approval, the declaration of a dividend of ₦10.00 per one (1) ordinary share of 50 Kobo each, out of the profits declared in the financial year ended 31st December 2025 (2024: ₦2:05). Dividends approved at the Annual General Meeting will be subject to deduction of withholding tax at the applicable statutory rate at the time of payment.

5. Unclaimed Dividend and Share Certificates

Shareholders are hereby informed that several share certificates and dividend warrants remain unclaimed with the Company's Registrar. Members who have not yet claimed their dividends are advised to contact the Company's Registrar, Africa Prudential Plc, at 220B Ikorodu Road, Palmgrove, Lagos, Nigeria, or via email at cxc@africaprudential.com.

The list of unclaimed dividends is available for inspection at the Registrar's office and on the Company's website, www.buacement.com.

As at 31st December 2025, the total unclaimed dividend stood at ₦731,246,398.84 (Seven Hundred and Thirty-one Million, Two Hundred and Forty-Six Thousand, Three Hundred and Ninety-Eight Naira, Eighty-Four Kobo), as reported by the Registrars.

6. Directors and Directors' Interests

The names and profiles of the Directors who served during the reporting period are provided in the Corporate Information section of this Annual Report.

In compliance with Section 301 of the Companies and Allied Matters Act, 2020 and the listing requirements of the Nigerian Exchange Limited, the direct and indirect interests of the Directors in the issued share capital of the Company, as recorded in the Register of Directors' Shareholdings, are set out below:

Report of the Directors Cont'd.

6. Directors and Directors' Interests Cont'd.

Directors	Representing	31 December 2025	31 December 2024
Direct holding		**Number of Shares held**	**Number of Shares held**
Abdul Samad Rabiu, CON, CFR		18,974,995,225	18,974,995,225
Yusuf Binji		1,217,883	1,057,883
Chikezie Ajaero		450,000	450,000
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		31,000	103,000
Indirect holding		**Number of Shares held**	**Number of Shares held**
Abdul Samad Rabiu, CON, CFR	BUA Industries Limited	13,462,681,069	13,462,681,069
	Damnaz Cement Company Limited	637,403,152	637,403,152
	BUA International Limited	8,137,766	8,137,766
Total		**33,088,401,045**	**33,088,352,755**

7. Statistical analysis of the shareholding as at 31 December 2025

Range of Shareholding	Number of Shares Held	Holder %	Holders Cumulative	Units	Units %	Units Cumulative
1-1,000	47,684	74.09%	47,684	11,752,123	0.03%	11,752,123
1001-5000	11,647	18.10%	59,331	25,730,650	0.08%	37,482,773
5001-10000	2,146	3.33%	61,477	15,800,857	0.05%	53,283,630
10001-50000	2,215	3.44%	63,692	49,295,026	0.15%	102,578,656
50001-100000	313	0.49%	64,005	22,931,500	0.07%	125,510,156
100001-500000	253	0.39%	64,258	55,678,579	0.16%	181,188,735
500001-1000000	39	0.06%	64,297	26,965,907	0.08%	208,154,642
1000001-5000000	37	0.06%	64,334	81,303,533	0.24%	289,458,175
5000001-10000000	10	0.02%	64,344	72,282,162	0.21%	361,740,337
10000001-50000000	6	0.01%	64,350	117,425,284	0.35%	479,165,621
50000001-100000000	1	0.00%	64,351	61,380,000	0.18%	540,545,621
100000001-500000000	2	0.00%	64,353	248,728,993	0.73%	789,274,614
500000001-1000000000	1	0.00%	64,354	637,403,152	1.88%	1,426,677,766
1000000001-Above	2	0.00%	64,356	32,437,676,294	95.79%	33,864,354,060
	64,356	**100%**		**33,864,354,060**	**100%**	

8 Shareholding and Substantial Interest in Shares

As of 31st December 2025, the issued and fully paid-up share capital of the Company stood at ₦16,932,177,030, divided into 33,864,354,060 ordinary shares of 50 kobo each.

According to the Register of Members on the same date, no individual shareholder held more than 5% of the issued share capital of the Company, except the following shareholders:

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

Report of the Directors Cont'd.

Shareholding Structure as at 31 December 2025

Shareholding by Category

S/N	Holder Type	Holder Count	Holdings	Percentage (%)
1	Corporate	950	14,617,174,992	43.16%
2	Foreign	108	372,256	0.00%
3	Government	70	5,919,273	0.02%
4	Individual	62,851	19,176,978,369	56.63%
5	Institution	213	27,661,874	0.08%
6	Joint	137	2,861,416	0.01%
7	Pension	27	33,385,880	0.10%
	Total	**64,536**	**33,864,354,060**	**100%**

9. Property, Plant and Equipment

Details of changes in property, plant, and equipment during the year ended 31st December 2025 are disclosed in Note 15 to the Financial Statements.

In the opinion of the Board, the market value of the Company's assets, including property, plant, and equipment, is not less than the carrying amounts reflected in the Financial Statements.

10. Charitable and Political Donations

In compliance with Section 43(2) of the Companies and Allied Matters Act (CAMA) 2020, the Company did not make any donations or contributions to any political party, group, or political objective during the period under review.

However, in furtherance of its commitment to social responsibility and community development, the Company made charitable donations totalling ₦649.7 million (2024: ₦1.73 billion).

A schedule of the recipient organisations and corresponding donation amounts is set out below:

Beneficiary	Amount ₦'000
Annual development levy to Okpella town	210,000
Annual development levy to Egbetua town Ososo	52,600
Grading of Egbetua-Ososo road	12,806
Drilling of four boreholes for Oguda Community	2,680
Scholarship award to Okpella and Egbetua Ososo students	125,145
Skill acquisition to indigenes of Okpella	17,677
Supply and Installation of Generator for Egbetua Community, Ososo	10,105
Support to NAOS for Secretariat Project	2,000
Support to NYSC Okpella for CSR Project	1,300
Support for Okpella annual sport festival tournament	2,000
Electrification of Illela 1 & 2 resettlement	59,154
Sponsorship of Sokoto Cement Primary School	59,156
Purchase of Drugs for 11 Village Clinics in Sokoto	31,597
Drilling of water borehole and construction of steel tank Illela Village	22,940
Construction of two classroom blocks for a primary school at Illela Resettlement	4,413
Installation of Solar light for Sokoto Cement Primary School	5,268
Livelihood restoration programs -Agricultural grant	21,460
Scholarship award to students in Sokoto	6,000
Construction of ring culvert at Sabon Gari community	3,367
Total	**649,668**

Report of the Directors Cont'd.

11. Acquisition of Own Shares

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

12. Free Float Declaration

As of 31st December 2025, BUA Cement Plc has a free float value of ₦139,960,204,408.50, meeting the free float requirements for listing on the Main Board of the Nigerian Exchange Group Limited.

Share Price at end of reporting period:		₦178.50
Description	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	33,864,354,060	100
Details of Substantial Shareholdings (5% and above)		
Abdul Samad Rabiu CON, CFR.	18,974,995,225	56.03
BUA Industries Limited	13,462,681,069	39.75
Total Substantial Shareholdings	**32,437,676,294**	**95.78**
Directors' Shareholdings (direct and indirect), excluding Directors with substantial interests		
Abdul Samad Rabiu CON, CFR. - Indirect (Damnaz Cement Company Limited)	637,403,152	1.88
Yusuf Binji- Direct	1,217,383	0.00
Chikezie Ajaero	450,000	0.00
Kabiru Rabiu- Direct	820,000	0.00
Chimaobi Madukwe - Direct	845,450	0.00
Finn Arnoldsen- Direct	820,000	0.00
Shehu Abubakar- Direct	1,000,000	0.00
Ganiat A. Siyonbola	31,000	0.00
Total Directors' Shareholdings	**642,586,985**	**1.88**
Other Influential Shareholdings	-	-
Total Other Influential Shareholdings	-	-
Free Float in Units and Percentage	**784,090,781**	**2.32**

BUA Cement Plc, with a free float value of ₦139,960,204,408.50 as at 31st December 2025, is compliant with The Exchange's free float requirements for companies listed on the Main Board

13. Human Resources Policy

i. Recruitment

The Company complies with all applicable laws and regulations in its recruitment processes, ensuring that only qualified and competent individuals are appointed to the Board and senior management positions. All appointments are subject to approved pre-employment assessment and screening procedures, in accordance with regulatory and industry standards.

ii. Employee health, safety and welfare

The Company is committed to maintaining a safe and healthy work environment that promotes the physical, mental, and emotional well-being of its employees.

iii. Employment of disabled persons

The Company upholds a policy of equal opportunity and inclusiveness in employment. Qualified persons with disabilities are given fair consideration in recruitment, training, and career development. Discrimination based on disability is prohibited in line with the Company's commitment to diversity, inclusion, and fairness in the workplace.

Report of the Directors Cont'd.

iv. Employee involvement and training

The Company recognises that its employees are its most valuable assets and that their development is integral to corporate success. Accordingly, continuous training and learning are prioritised through both local and international capacity-building programmes that enhance technical and managerial competencies.

The Company maintains open and transparent communication channels that keep employees informed about the Company's performance and strategic direction, while encouraging the free flow of feedback and ideas. Regular staff meetings provide opportunities for employees to share insights, some of which are escalated to the Board for consideration.

The Company further promotes employee participation through incentive programmes that strengthen engagement, productivity, and alignment with corporate goals.

14. Directors Interest in Contracts

In compliance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, no Director disclosed any interest in contracts involving the Company during the year under review.

15. Events after reporting period

Except as disclosed below, no events have occurred after the reporting date that have or could reasonably be expected to materially affect the Company's financial position or performance.

Subsequent to the reporting date, the Company entered into an agreement in January 2026 to increase its annual production capacity from 17 million tonnes per annum to 20 million tonnes per annum. This represents a non-adjusting event after the reporting period and does not affect the financial position of the Company as at 31 December 2025..

16. Approval of financial statements

The audited financial statements of the Company for the year ended 31st December 2025 was approved by the Board of Directors on 26th February 2026 for issue.

17. Independent auditor

PricewaterhouseCoopers (PwC) served as the Company's Independent Auditor during the financial year under review. In accordance with Section 401 of the Companies and Allied Matters Act (CAMA) 2020, PwC has expressed its willingness to continue in office as the Company's Auditor.

A resolution will be proposed at the Annual General Meeting authorising 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.
26 February 2026.

Notice of the 10th Annual General Meeting

BUA Cement Plc
RC 119 3879

BUA Cement Plc RC 119 3879

Notice of the 10th Annual General Meeting

Notice is hereby given that the 10th Annual General Meeting of BUA Cement Plc ("the Company") will be held on Thursday, 21st May 2026, at Congress Hall, Transcorp Hilton Hotel, Abuja, at 11:00 AM to transact the following business:

Ordinary Business

1. To present the Audited Financial Statements for the year ended 31st December 2025, together with the Reports of the Directors, Auditors, and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect the following Directors retiring by rotation:
   i. Kabiru Rabiu
   ii. Chimaobi Madukwe
   iii. Ganiat Adetutu Siyonbola
4. To authorise the Directors to fix the remuneration of the Auditors for the 2026 Financial Year.
5. To elect members of the Statutory Audit Committee.
6. To disclose the remuneration of the managers of the Company.

Special Business

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

   Pursuant to Rule 20.8(a) of the Nigerian Exchange Issuers Rules, the general mandate granted to the Company to procure goods and services and enter into such incidental transactions necessary for its day-to-day operations from its related parties or interested persons on normal commercial terms be and is hereby renewed.

Dated this 27th day of March 2026

BY ORDER OF THE BOARD

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

Notes

1. Proxy

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

2. Stamping Of Proxy

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

3. Live Streaming of the AGM

The AGM will be streamed live online. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link to the AGM live stream will be available on the Company's website at https://www.buacement.com.

4. Closure of Register of Members

The Register of Members will be closed from 11th May 2026 to 15th May 2026, both dates inclusive, for the purpose of paying dividends and updating the Register.

5. Dividend Payment

If the Dividend recommended by the Directors is approved, Dividend will be paid electronically on Thursday, 21st May 2026 to all the Shareholders whose names are registered in the Company's Register of Members as at the close of business on Friday, 8th May 2026, and who have completed the e-dividend registration and have mandated the Registrars to pay Dividend directly into their bank accounts.

6. Statutory Audit Committee

In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising three Shareholders and two Non-Executive Directors. Section 404(6) of the Act also provides that any member may nominate a Shareholder as a member of the Audit Committee by submitting a written notice of nomination to the Company Secretary at least 21 days before the Annual General Meeting.

The Financial Reporting Council's Nigerian Code of Corporate Governance (2018) provides that all Audit Committee members should be financially literate and able to read and understand Financial Statements.

Consequently, a detailed Curriculum Vitae confirming the nominee's qualifications should be submitted with each nomination.

7. Right of Shareholders to Ask Questions

Shareholders reserve the right to ask questions, not only at the Meeting but also in writing before the Meeting. Such questions should be directed to the Company Secretary and submitted at the registered office of the Company on or before 19th May 2026.

8. Electronic Annual Report

An electronic copy of the Annual Report is accessible on the Company's website at https://www.buacement.com, and will also be distributed to shareholders who have submitted their email addresses to the Registrars. Shareholders who wish to receive the electronic version of the Annual Report may request it by sending an email to info@africaprudential.com.

9. Unclaimed Dividend Warrants and Share Certificates

Shareholders are hereby notified that several share certificates and dividend warrants, which were returned to the Registrars as unclaimed, are still in the custody of the Registrars.

A list of the unclaimed dividends is published on the Company's website at https://www.buacement.com. Affected shareholders are advised to contact the Company's Registrar at 220B, Ikorodu Road, Palmgrove Bus Stop, Somolu, Lagos, or via email at info@africaprudential.com to lay claims.

10. e-Dividend

Shareholders are advised to open bank, stockbroking, and CSCS accounts to enable seamless dividend payments, in accordance with the directives of the Securities and Exchange Commission. An e-dividend application form is attached to the Annual Report to allow shareholders to submit their account details to the Registrar promptly.

11. Profiles of Directors for Re-election

Profiles of the Directors who will be retiring by rotation and offering themselves for re-election are included in the Annual Report and are also available on the Company's website - https://www.buacement.com.

12. No Voting by Interested Parties

In line with Rule 20.8(c) of the Nigerian Exchange Limited Rules on Related Party Transactions, the interested parties have committed to ensuring that their proxies, representatives, or associates abstain from voting on Resolution 8.

Risk Management

A. Introduction

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

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

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

B. Our ERM Framework

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

Figure 1: ERM Framework

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

1. BOARD OF DIRECTORS

The Board comprises nine members: a Chairman, three Non-Executive Directors, three Independent Directors, and two Executive Directors. It defines the Company's vision, mission, strategic direction, and provides oversight to Management in implementing operational policies.

The Board determines the level of risk the Company is willing to assume in achieving its strategic objectives, evaluates global and domestic opportunities and threats, sets overarching policies aligned with long-term goals, and approves and monitors risk management frameworks designed to safeguard the Company's interests.

The Board has delegated responsibility for monitoring the effectiveness of the Company's risk management and internal control systems to the Board Risk Management Committee.

2. BOARD RISK MANAGEMENT COMMITTEE

The Committee comprises five members and is chaired by a Non-Executive Director. It regularly reviews and assesses the Company's key risk areas, identifies emerging risks, defines the Company's risk appetite, and monitors the effectiveness of risk management and internal control systems.

The Committee receives periodic management reports on key business risks and mitigation actions, and evaluates whether significant risks are properly identified, assessed, and managed.

3. MANAGEMENT'S RISK COMMITTEE

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

4. MANAGEMENT

Risks are managed on a day-to-day basis by the Company's management at various levels in the organisation according to the nature of each risk. The Central Management executes its risk management role in accordance with policies and standards, monitors and mitigates risks as part of performance management. Risk management is embedded in key business processes (e.g., budgeting) and supported by the Internal Audit and Internal Control functions. These functions ensure compliance with the ERM framework and internal policies, aggregate risk insights across the Company, and monitor the effective application of risk management practices.

C. Risk Management Process

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

1. RISK IDENTIFICATION

This is the first step in our risk management process and is driven by the adoption of three techniques namely: data gathering from reliable sources, risk surveys and risk brainstorming (Figure 2). Questionnaires are administered to knowledgeable personnel across all units to identify risks, assess potential consequences, and assign ownership. The Management Risk Committee reviews all information to ensure its accuracy and completeness.

Risk Management Cont'd.

2. RISK ASSESSMENT

Risk assessment involves evaluating each identified risk, including its root causes, existing mitigation controls, likelihood of occurrence, and potential impact. Risks are assessed on an inherent basis (before controls) and a residual basis (after controls), enabling informed prioritisation and efficient allocation of resources.

3. RISK MITIGATION

Following assessment, the Risk Management Committee determines appropriate response strategies in line with BUA Cement's risk appetite. Responses may include avoiding, accepting, reducing, or transferring the risk (e.g., via insurance or outsourcing).

The Management Risk Committee prepares a quarterly report on risk assessments and recommended actions, which is escalated to the Board through the Risk Management Committee. The Board reviews and approves actions for implementation by Management.

4. MONITORING AND CONTROL

Monitoring ensures that risk responses remain relevant and effective. This includes evaluating the performance of mitigation strategies, adjusting for evolving risks, and ensuring alignment with BUA Cement's corporate culture, values, and strategic objectives.

The Management Risk Committee conducts monthly assessments and submits quarterly monitoring reports to the Board through the Risk Management Committee, maintaining a continuous feedback loop for dynamic and adaptive risk management.

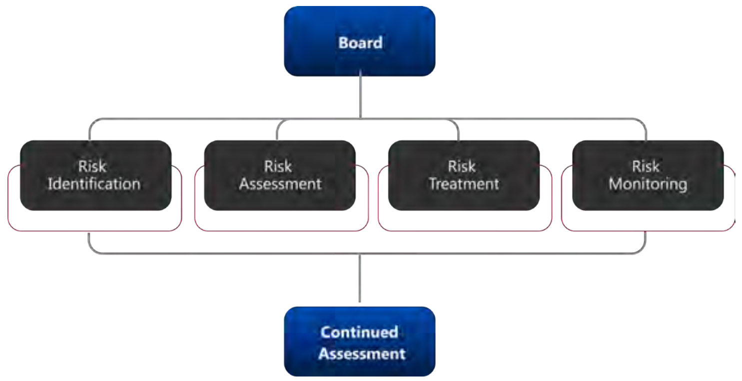


Figure 2: BUA Cement's Risk Mitigation Process

D. Risk incidents and review in 2024

In 2025, the Risk Management Committee actively monitored domestic and international developments, assessing their potential impact on BUA Cement's strategic objectives and operations. The Management Risk Committee conducted a detailed review of incidents and exposures, categorising them into five core areas: strategy, operational, financial, health & safety, and market risks.

The following risk areas were identified as most critical due to their potential to disrupt operations, affect profitability, and hinder the achievement of the Company's strategic objectives.

1. Energy & Power Generation

Energy costs represent a significant portion of our production expenses, and volatility in price or supply can adversely affect operating margins. In 2025, we enhanced energy availability by completing coal mills at the Obu Plant, and converting the power generators at the Sokoto Plant for dual-fuel use, to further diversify and strengthen supply resilience.

Ongoing efforts focus on optimising the energy mix to ensure cost efficiency and reliable, uninterrupted availability.

2. Production Continuity

Production during the year was constrained by shortages of dry material from the quarry, while machinery downtime, caused by spare parts shortages, employee turnover, workforce disruptions, and security challenges, further affected operational efficiency and continuity. These factors posed a risk to sustaining production levels and meeting demand.

To mitigate these risks, the Company implemented a robust spare parts inventory management and tracking system to reduce equipment downtime. Additional equipment operators were recruited to boost operational efficiency, while eligible local community members were hired and upskilled to strengthen workforce stability and support uninterrupted operations. These measures collectively enhanced the resilience of production operations and ensured continuity despite the challenges faced.

3. Financial Risk

Due to the nature of its operations and capital expenditure financing model, the Company is exposed to foreign currency, interest rate, and liquidity risks.

Foreign currency exposure arises from servicing foreign-denominated liabilities, funding capital investments, and procuring spares and raw materials. To mitigate this risk, the Company resumed the export of cement and clinker to enhance foreign exchange earnings and set aside funds for interest servicing at the point of accrual. Improved foreign exchange stability in 2025, including a 7.14% appreciation of the Naira against the US Dollar, helped limit exchange losses.

Interest rate risk and rising borrowing costs are managed through a balanced mix of fixed- and floating-rate debt. The Company's bond remains at a fixed rate of 7.5% per annum, while high-cost short-term borrowings above 26% were exited. Floating-rate loans were maintained at rates below 10% per annum, reducing overall financing costs.

Liquidity risk was managed through a cash-based sales policy to maintain adequate cash flows and disciplined working capital management. Sustained strong supplier relationships aided the renegotiation of credit terms, and pricing mechanisms with a major vendor enhanced cost efficiency.

4. Security and Community Issues

Nigeria faces a complex security landscape, including insurgency, banditry, kidnapping, militancy, and urban crime, driven by socio-economic pressures, communal tensions, and evolving criminal networks. These risks can disrupt business operations, supply chains and workforce safety. Hence, making proactive, intelligence-led security measures essential to protect assets, personnel, and long-term value.

During the year, we recorded a security incident at one of

Risk Management Cont'd.

our plants which temporarily disrupted quarry activities for several weeks. In response, management implemented several mitigation measures such as installation of biometric access control gates and expanded CCTV coverage, provision of additional security posts with reinforced personnel around quarry sites, perimeter clearing of all road access to improve visibility, and bi-monthly joint patrols with the military, civil defence, and local hunters across known flashpoints.

5. Market Risks

The Company operates in a highly competitive market where changes in supply-demand balance, pricing, or growth outlook can materially affect operating results. Government infrastructure spending, private sector demand, inflation, and purchasing power significantly influence activity in the cement industry.

In the past year, competition intensified with the entry of a new player and the acquisition of another, thereby increasing pricing pressures and market share rivalry. To mitigate these risks, the Company conducted periodic price reviews, implemented customer loyalty initiatives, secured supply contracts with key construction companies, and resumed exports of cement and clinker to neighbouring countries.

6. Strategic And Supply Chain Risks

The Company's production continuity and profitability depend on securing reliable supply of critical raw materials. During the year, gypsum stockouts occurred due to delayed imports and weather-related disruptions to local supply, impacting operations and costs.

To mitigate these risks, the Company increased stock reorder levels, created a central hub for imported gypsum for both plants, resumed early local gypsum intake with higher volumes planned during dry months, and assigned the clearing of imported spares to head office to improve efficiency and control.

7. Cybersecurity and Technology Risks

The Company's IT and Operational Technology (OT) infrastructure is exposed to evolving cyber threats that could disrupt systems, compromise data, or impair plant operations. A significant breach may require extended remediation, while OT disruption could result in downtime and reduced production.

In 2025, an attempted ransomware incident targeting an operational server at a plant was unsuccessful. In response, the Company strengthened its cybersecurity framework through the deployment of a next-generation firewall for centralised internet control, stricter access management, improved network hygiene, and enhanced monitoring controls.

8. Health and Safety (H&S) Risks

Ensuring the health and safety of employees remains a top priority for BUA Cement. In 2025, the Company strengthened its H&S framework through a maturity assessment, enhanced its Permit-to-Work (PTW) controls, and strictly enforced critical procedures including Contractor Management, Energy Isolation, Work at Height, Confined Space Entry, PPE management, and Incident Reporting.

A comprehensive Environmental and Social Management System (ESMS), regular training, emergency drills, daily inspections, PTW audits, management safety tours, and a rewards and consequence programme further reinforced a proactive safety culture across operations.

Financial Information

04

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 judgements and estimates, and are consistently applied.

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

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

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

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

26 February 2026

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

26 February 2026

Yusuf Binji
Managing Director
FRC/2013/NSE/00000001746

26 February 2026

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 2025.

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) all 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 material weaknesses in internal controls, and

(ii) whether or not, there is any 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 2025.

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

26 February 2026

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

26 February 2026

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 2025:

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 Organisation 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 2025 is effective.

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

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

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

26 February 2026

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

26 February 2026

Management's Certification on Internal Control over Financial Reporting

I, Yusuf H. Binji, certify that:

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

b) Based on my 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 my 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 I:

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

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

f) The Company's other certifying officer(s) and I 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

26 February 2026

Management's Certification on Internal Control over Financial Reporting

I, Chikezie Ajaero, certify that:

a) I have reviewed the report of Management on the internal control system of BUA Cement Plc;

b) Based on my 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 my 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 I:

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

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

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

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

26 February 2026

Report of the Audit Committee

The Audit Committee is pleased to present this report for the financial year ended 31 December 2025 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. The Committee performs its functions on behalf of BUA Cement Plc.

Audit Committee terms of reference

The Audit Committee has adopted 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.

The Audit Committee meets at least five times per year, 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				
	25/02/2025	22/04/2025	23/07/2025	23/10/2025	09/12/2025
Ajibola A. Ajayi	P	P	P	P	P
Kabiru A. Tambari	P	P	P	P	P
Oderinde Taiwo	P	P	P	P	P
Kabiru Rabiu	P	P	P	P	P
Ganiat A. Siyonbola	P	P	P	P	P

Note: P = Present

Roles and responsibilities

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

Statutory duties

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

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

External auditor appointment and independence

In accordance with the provisions of the Companies and Allied Matters Act 2020, the Audit Committee has satisfied itself that the external auditor, PricewaterhouseCoopers, is independent of the Company and that its appointment complies with the Act and other applicable legislation.

The Committee, in consultation with executive management, reviewed and agreed the engagement letter, audit plan and budgeted fees for the year ended 31 December 2025.

Report of the Audit Committee Cont'd.

Financial statements and accounting practices

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

Internal financial controls

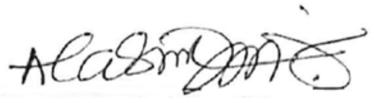
The Audit Committee has overseen a process by which internal audit performed an assessment of the effectiveness of the Company's system of internal control, including internal financial controls. The Audit Committee is satisfied with the effectiveness of the Company's internal financial controls.

Duties assigned by the Board

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

In compliance with 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 financial 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 2025 are adequate;
- We are satisfied with the External Auditors' Management Report for the year ended 31 December 2025, as well as the response of the Management thereto.



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

24 February 2026.

AUDIT COMMITTEE MEMBERS:

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

Ajibola Ajayi
Chairman - Independent shareholder

Oderinde Taiwo
Member - Independent shareholder

Kabiru A. Tambari
Member - Independent shareholder

Kabiru Rabiu
Member - Director

Ganiat A. Siyonbola
Member - Director

Independent Auditor's Report

Independent auditor's report

To the Members of BUA Cement Plc

Report on the audit of the financial statements

Our opinion

In our opinion, BUA Cement Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

BUA Cement Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

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

We have determined that there are no Key Audit Matters to communicate in our report.

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

PricewaterhouseCoopers
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,

Independent Auditor's Report

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 2025 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.

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 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with "IFRS Accounting Standards" and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act,2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditor's Report

may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of BUA Cement Plc's internal control over financial reporting as of 31 December 2025. 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 a unqualified report in our report dated 27 February 2026.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0828098

27 February 2026

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

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/004/00000005161

Independent Practitioner's Report

Independent practitioner's report

To the Members of BUA Cement Plc

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

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of BUA Cement Plc ("the company") are not adequate as at 31 December 2025, based on the SEC Guidance on Implementation of Sections 88 – 91 of The Investments and Securities Act 2025 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, 2025, 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.

PricewaterhouseCoopers
FF Millenium Towers, 13/14 Ligali Ayorinde Street, Victoria Island,
Lagos, Nigeria

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Independent **Practitioner's Report**

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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.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of BUA Cement Plc and our report dated 27 February 2026 expressed an unqualified report.

Yinka Yusuf

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0828100
27 February 2026

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

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/004/00000005161

Statement of Profit or Loss and other Comprehensive Income

₦'000	Notes	31 December 2025	31 December 2024
Revenue from contracts with customers	5	1,179,444,900	876,469,849
Cost of sales	6	(575,263,098)	(576,203,317)
Gross profit		**604,181,802**	**300,266,532**
Other income	11	1,504,754	1,063,756
Foreign exchange loss - net	7(b)	(9,696,264)	(92,105,319)
Impairment writeback/(loss) financial assets	10	188	(311)
Distribution and selling expenses	8	(63,609,998)	(42,858,640)
Administrative expenses	7(a)	(27,826,062)	(22,061,895)
Operating profit		**504,554,420**	**144,304,123**
Finance income	12(a)	17,010,577	18,190,652
Finance cost	12(b)	(56,288,777)	(60,051,583)
Net finance cost		(39,278,200)	(41,860,931)
Minimum tax charge	13(a)	-	(2,813,008)
Profit before tax		**465,276,220**	**99,630,184**
Income tax expense	13(a)	(109,237,945)	(25,720,949)
Profit after tax		**356,038,275**	**73,909,235**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligations (net of tax)	14b(ii)	(2,264,938)	(2,856,442)
Other comprehensive income for the year (net of tax)		(2,264,938)	(2,856,442)
Total comprehensive income for the year		**353,773,337**	**71,052,793**
Earnings per share			
Basic and diluted (Naira)	**28**	**10.51**	**2.18**

The notes on pages 92 to 137 are an integral part of the financial statements.

Statement of Financial Position

₦'000	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	15	1,179,526,058	1,182,476,535
Right-of-use assets	16(a)	185,872	83,750
Intangible assets	17	13,498,148	13,355,043
		1,193,210,078	**1,195,915,328**
Current assets			
Inventories	18	171,763,346	159,797,427
Trade receivables	20	236,843	228,544
Prepayments and other assets	21	160,125,741	106,889,873
Due from related parties	30(b)	50,411,030	22,771,443
Cash and cash equivalents	19	280,379,968	84,749,250
		662,916,928	**374,436,537**
Total assets		**1,856,127,006**	**1,570,351,865**
Liabilities			
Non-current liabilities			
Bank borrowings	24	313,072,476	444,824,129
Debt security issued	25	24,730,823	57,252,784
Employee benefit obligations	14	9,163,468	7,134,372
Deferred tax liabilities	13(c)	128,209,105	47,973,774
Government grant	26	936,577	1,463,930
Provision for decommissioning liabilities	23	9,278,688	48,600,112
		485,391,137	**607,249,101**
Current liabilities			
Lease liabilities	16(b)	144,936	88,171
Contract liabilities	5(b)	105,812,462	113,936,226
Trade and other payables	22	371,519,896	377,073,124
Current income tax liabilities	13(b)	29,210,383	2,470,056
Bank borrowings	24	156,303,553	48,314,584
Debt security issued	25	32,523,438	28,489,096
Government grant	26	527,353	640,870
Provision for decommissioning liabilities	23	1,794,202	3,542,402
		697,836,223	**574,554,529**
Total liabilities		**1,183,227,360**	**1,181,803,630**
Equity attributable to shareholders			
Ordinary share capital	27	16,932,177	16,932,177
Retained earnings		462,315,489	175,699,140
Reorganisation reserve		200,004,179	200,004,179
Defined benefit plan reserve		(6,352,199)	(4,087,261)
Total equity		**672,899,646**	**388,548,235**
Total equity and liabilities		**1,856,127,006**	**1,570,351,865**

The notes on pages 92 to 137 are an integral part of these financial statements.
The financial statements and the notes on pages 92 to 137 were approved and authorised for issue by the Board of Directors on 27th February 2026 and were signed on its behalf by:

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

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

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

Statement of Changes in Equity

₦'000	Share capital	Defined benefit plan reserve	Reorganisation reserve	Retained earnings	Total
Balance at 1 January 2024	**16,932,177**	**(1,230,819)**	**200,004,179**	**169,518,613**	**385,224,150**
Profit for the year	-	-	-	73,909,235	73,909,235
Other comprehensive loss	-	(2,856,442)	-	-	(2,856,442)
Total comprehensive income for the year	**-**	**(2,856,442)**	**-**	**73,909,235**	**71,052,793**
Dividend declared and paid to BUA Cement Plc's shareholders	-	-	-	(67,728,708)	(67,728,708)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(67,728,708)**	**(67,728,708)**
Balance at 31 December 2024	**16,932,177**	**(4,087,261)**	**200,004,179**	**175,699,140**	**388,548,235**
Balance at 1 January 2025	**16,932,177**	**(4,087,261)**	**200,004,179**	**175,699,140**	**388,548,235**
Profit for the year	-	-	-	356,038,275	356,038,275
Other comprehensive loss	-	(2,264,938)	-	-	(2,264,938)
Total comprehensive income for the year	**-**	**(2,264,938)**	**-**	**356,038,275**	**353,773,337**
Dividend declared and paid to BUA Cement Plc's shareholders	-	-	-	(69,421,926)	(69,421,926)
	-	**-**	**-**	**(69,421,926)**	**(69,421,926)**
Total contributions by and distributions to owners of company recognised directly in equity					
Balance at 31 December 2025	**16,932,177**	**(6,352,199)**	**200,004,179**	**462,315,489**	**672,899,646**

The notes on pages 92 to 137 are an integral part of these financial statements.

Statement of Cash Flows

₦'000	Notes	31 December 2025	31 December 2024
Cash flows from operating activities			
Profit before taxation		465,276,220	99,630,184
Adjustment for non-cash items:			
Net impairment (writeback)/loss on financial assets	10	(188)	311
Depreciation of property, plant and equipment	15	48,431,662	34,790,615
Depreciation of right-of-use asset	16(a)	143,762	110,434
Amortisation of intangible assets	17	683,247	613,450
Amortisation of government grant	11	(640,870)	(753,967)
Profit on disposal of property, plant and equipment	15(d)	(1,058)	(900)
Decommissioning liability adjustment	6	(12,976,653)	(2,548,608)
Minimum tax	13(a)	-	2,057,862
Losses on exchange differences	7(b)	9,696,264	92,105,319
Finance income	12(a)	(17,010,577)	(18,190,652)
Finance costs	12(b)	56,288,777	60,051,583
Current service cost - Defined benefit plan	14(b)	795,243	505,897
Plan participant contribution	14(b)	(748,897)	(462,627)
Operating cash flows before movements in working capital		**549,936,932**	**267,908,901**
Changes in working capital:			
(Decrease)/Increase in contract liabilities	5(b)	(8,123,763)	8,820,352
Increase in inventories	18	(11,965,914)	(73,991,647)
Increase in trade and other receivables	20	(8,111)	(165,240)
Increase in prepayments	21	(53,235,867)	(11,410,073)
(Decrease)/Increase in trade and other payables	22(b)	5,598,185	288,022,359
Increase in amounts due from related parties	31(d)	(27,639,587)	(19,466,705)
Decrease in amounts due to related parties	31(e)	-	(51,118,269)
Cash generated from operations		**454,561,875**	**408,599,678**
Defined benefit paid during the year	14(b)	(855,702)	(868,867)
Tax paid	13(b)	(2,345,433)	(2,477,726)
Net cash from operating activities		**451,360,740**	**405,253,085**
Cash flows from investing activities			
Purchase of property, plant and equipment	15(c)	(79,593,593)	(289,726,899)
Interest received - investment	12(a)	17,010,577	18,190,652
Proceeds from disposal of property, plant and equipment	15(d)	17,465	4,093
Purchases of intangible assets	17	(826,352)	(1,146,829)
Net cash used in investing activities		**(63,391,903)**	**(272,678,983)**

Statement of Cash Flows Cont'd.

₦'000	Notes	31 December 2025	31 December 2024
Cash flows from financing activities			
Dividend paid to equity holders	29	(69,421,926)	(67,728,708)
Principal and interest repayment on lease liability	16(b)	(206,407)	(72,512)
Proceeds from borrowings	24(a)	16,565,392	22,844,569
Principal repayment of borrowings	24(a)	(50,126,227)	(190,422,793)
Interest repayment on borrowings	24(a)	(49,452,450)	(94,913,336)
Principal repayment of debt securities	25(a)	(28,750,000)	(28,750,000)
Interest repayment on debt securities	25(a)	(5,928,210)	(8,085,937)
Interest payment on overdraft	12(b)	(712)	(3,864,841)
Net cash used in financing activities		**(187,320,540)**	**(370,993,558)**
Total cash movement for the year		**200,648,297**	**(238,419,456)**
Cash and cash equivalents at the beginning of the year		84,749,250	225,077,529
Effects of exchange rate differences on cash and cash equivalents		(5,017,579)	98,091,177
Cash and cash equivalents at the end of the year	19	**280,379,968**	**84,749,250**

The notes on pages 92 to 137 are an integral part of these financial statements.

Notes to the Financial Statements

1 General information

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

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

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

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

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

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

2.1.1 Going concern

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

The Company reported a profit after tax of ₦356.04 billion for the year ended 31 December 2025 (2024: ₦73.91 billion). At the statement of financial position date, the Company had a net asset of approximately ₦672.90 billion (2024: ₦388.55 billion).

The Company has been consistently profitable over the years.

2.1.2 Changes in accounting policies and disclosures

2.1.2.1 New standards and interpretations adopted by the Company

The Company has applied the standards and amendments that are applicable to the Company for the first time in the annual reporting period commencing 1 January 2025.

Notes to the Financial Statements Cont'd.

2.1.2 Changes in accounting policies and disclosures (continued)

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

(a) Lack of Exchangeability – Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates (effective for annual periods beginning on or after 1 January 2025).

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is not temporary.

The amendments listed above did not have any material 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 2025 reporting periods and have not been early adopted by the Company. These new standards and interpretations are set out below:

(a) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS9 and IFRS7 (effective for annual periods beginning on or after 1 January 2026).

In May 2024, the IASB issued targeted amendments to IFRS9, 'Financial Instruments', and IFRS7, 'Financial Instruments: Disclosures to respond to recent questions arising in practice.

These amendments are:

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

The Company is expected to adopt the amendment for the first time in the 2026 financial statements.

The impact of this amendment is currently being assessed.

(b) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

In December 2024, the IASB issued targeted amendments to IFRS7 and IFRS9 to allow entities to better reflect nature-dependent electricity contracts in the financial statements. The amendments are:

- clarify the application of the 'own-use' criteria to nature-dependent electricity contracts;
- permit hedge accounting if these contracts are used as hedging instruments; and
- add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows.

The Company is expected to adopt the amendment for the first time in the 2026 financial statements.

it is unlikely that the amendment will have a material impact on the Company's financial statements

Notes to the Financial Statements Cont'd.

2.1.2 Changes in accounting policies and disclosures (continued)

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

In May 2024, the IASB issued IFRS19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards.

To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or immediate) that prepares consolidated financial statements available for public use, which comply with IFRS Accounting Standards.

The Company is expected to adopt the amendment for the first time in the 2027 financial statements.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

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

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

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

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

a. Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
The Company is still assessing the impact of this amendment, however, there is no expected material impact as the Company has transactions and foreign operations in foreign currencies that are readily exchangeable as at the current reporting date.

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

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

a. management-defined performance measures;

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

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

From a statement of cash flow perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

Notes to the Financial Statements Cont'd.

2.1.2 Changes in accounting policies and disclosures (continued)

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

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

(e) Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026).

IFRS 1, 'First-time Adoption of International Financial Reporting' – to improve consistency between IFRS 1 and IFRS 9, 'Financial Instruments', in relation to the requirements for hedge accounting, and to improve the understandability of IFRS 1;

IFRS 7, 'Financial Instruments: Disclosures' – to improve consistency in the language used in IFRS 7 with the language used in IFRS 13, 'Fair Value Measurement';

IFRS 9 – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished, and to address an inconsistency between IFRS 9 and IFRS 15, 'Revenue from Contracts with Customers', in relation to the term 'transaction price';

IFRS 10, 'Consolidated Financial Statements' – to clarify the requirements in relation to determining de facto agents of an entity; and

IAS 7, 'Statement of Cash Flows' – to replace the term 'cost method' with 'at cost', since the term is no longer defined in IFRS Accounting Standards. It is unlikely that the amendment will have a material impact on the Company's financial statements.

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 as a separate line item in the statement of profit or loss and other comprehensive income.

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 stated 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:

Notes to the Financial Statements Cont'd.

2.3 Property, plant and equipment (continued)

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

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

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

Quarry exploration and production assets

Accounting for quarry exploration and production assets

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

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

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets.

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.

Notes to the Financial Statements Cont'd.

2.4. Intangible assets (continued)

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

Licences

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

Software

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

Exploration assets

Exploration and evaluation expenditures incurred by the Company are accumulated separately for each mining project. Such expenditures comprise net direct overheads and an appropriate portion of other related overhead expenditure, but do not include general overheads or administrative expenditure that is not directly related to the project. Each project is limited to a size related to a known or probable limestone reserves and other mineral components capable of supporting quarrying operations and cement production.

Costs directly associated with an exploration, excavation and other mining operations are gradually capitalised until the mining site is successful and the output have been evaluated in commercial quantity. These costs include land compensation, other relocation and development costs, and payments made to contractors where applicable.

Exploration assets are not subject to amortisation charge.

Mineral rights

Mineral rights are capitalised within intangible assets. Mining fees/license costs paid in connection with a right to mine in an existing quarry area are capitalised and amortised on a straight-line basis over the life.

Mineral rights 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 mining activities. Mining fees and licences are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination

The mining rights are initially recognised at cost and subsequently amortised on a straight-line based on the economic life. They are subsequently carried at cost less accumulated amortisation and impairment losses.

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

	Depreciation method	Useful life (years)
Licences	Straight-line	2-5
Mineral rights	Straight-line	7 - 40
Software	Straight-line	3
Franchise	Straight-line	2-25
Exploration assets	Not depreciable	Nil

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.

Notes to the Financial Statements Cont'd.

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.

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.

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.

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.

Trade Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements Cont'd.

2.6. Financial instruments (continued)

2.6.1 Classification and measurement (continued)

Bank 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 part 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.

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 prepayment 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.

2.6.2 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.

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

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

Notes to the Financial Statements Cont'd.

2.6. Financial instruments (continued)

2.6.3 Significant increase in credit risk and default definition

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

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

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

2.6.4 Derecognition

i. Financial assets

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

ii. Financial liabilities

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

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

2.6.5 Offsetting of financial assets and financial liabilities

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

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

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 raw materials, engineering spares, packing materials, finished goods and fuel is determined using the weighted average cost method. Work-in-progress are valued at purchase cost incurred to date.

The cost of packing materials is determined using the weighted average method and comprises purchase cost and other direct costs, incurred in bringing packing materials to its 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.

Notes to the Financial Statements Cont'd.

2.8 Prepayments and other advance payments

Prepayments are amounts paid for goods or services which are yet to be received. Other receivables are unsecured and no interest is charged on these balances.

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

The Company has 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.

2.10 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 and bank overdrafts.

2.11 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 other than those capitalised to the extent that they are regarded as an adjustment to interest costs

2.12 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.

Notes to the Financial Statements Cont'd.

2.12 Provision for decommissioning liabilities (continued)

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.

2.13 Revenue recognition

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

The five step recognition process for revenue is listed below:

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

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

Sale of goods

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

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

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

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

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

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

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

The Company adopts a credit policy to credit-worthy customers for sales of any of its products. There is an existing revolving clean credit facility of maximum of 100 trucks with guaranteed daily remittances.

Notes to the Financial Statements Cont'd.

2.13 Revenue recognition (continued)

Disaggregation of revenue from contracts with customers

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

2.14 Other income

This comprises profit from sale of property, plant and equipment, profit from sale of scraps and insurance claim 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.

2.15 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.

2.16 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 performance of the operating segments, has been identified as the BUA Cement Leadership Team which comprises of the members of the Board of Directors and other executive officers.

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

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

Notes to the Financial Statements Cont'd.

2.17 Current and deferred income tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax liabilities on a net basis. Deferred tax assets and liabilities are presented as non-current in the statement of financial position. See further disclosure on tax matters in Note 32.

2.18 Employee benefits

Pension scheme - Defined contribution scheme

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

Pension scheme - Defined benefit scheme

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

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

Short-term benefits

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

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

2.19 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).

Notes to the Financial Statements Cont'd.

2.20 Finance cost

Finance cost comprises interest expenses on on exchange differences 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.

2.21 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.

2.22 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 shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position.

2.23 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.

2.24 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.

Notes to the Financial Statements Cont'd.

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.

2.24 Leases (continued)

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.

i. Lease liabilities

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

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

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

ii. Right of use assets

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

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

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 amount of less than ₦7 million when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.25 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.

3. Financial instruments and risk management

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.

Notes to the Financial Statements Cont'd.

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.

3.1 Financial risk factors (continued)

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 grant), 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 in 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.

₦'000	31 December 2025 (USD)	31 December 2025 (EUR)	31 December 2024 (USD)	31 December 2024 (EUR)
Foreign currency denominated balances				
Trade payables	(145,514,131)	-	(211,376,608)	-
Cash and cash equivalents	27,230,550	731,467	39,300,402	646,271
Borrowings	(279,990,000)	-	(461,102,333)	-
	(398,273,581)	**731,467**	**(633,178,539)**	**646,271**
Effect of:				
15% increase in exchange rate (2024: 15%)	(59,441,037)	109,720	106,766,901	96,941
15% decrease in exchange rate (2024: 15%)	59,441,037	(109,720)	(106,766,901)	(96,941)
Effect of:				
50% increase in exchange rate (2024: 15%)	(198,136,790)	365,733	355,889,672	323,136
50% decrease in exchange rate (2024: 15%)	198,136,790	(365,733)	(355,889,672)	(323,136)

The aggregate net foreign exchange losses recognised in profit or loss was ₦9.69 billion (2024: ₦92.1 billion).

ii. Price risk

The Company is not exposed to price risk.

iii. Interest rate risk

The Company's operations are partly financed by a combination of foreign loans and local borrowings from Nigerian banks. Interest payable on such borrowings are charged by the banks to the Company.

The Company's interest rate risk arises from long term borrowings from the banks which exposes the Company to cash flow and 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.

Notes to the Financial Statements Cont'd.

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

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

₦'000	Average intrest rate	31 December 2025	31 December 2024
Due to IFC	SOFR + 5.5%	391,689,883	449,973,157
Due to First bank of Nigeria Ltd	SOFR + 10%	53,333,276	8,022,054
Due to Union Bank of Nigeria Ltd	SOFR + 10%	2,597,221	3,752,868
		447,620,380	**461,748,079**

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 2025	31 December 2024
Effect of 5% increase in interest rates (2024: 5%)	(22,387,866)	(23,087,404)
Effect of 5% decrease in interest rates (2024: 5%)	22,387,866	23,087,404

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 sale of products are to customers with appropriate credit history. 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 in the statement of financial position. The Company does not hold any collateral as security.

To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss model are as follows:

- Trade receivables and;
- Cash and cash equivalents.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

i. *Trade receivables*

The Company applies the simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from customers for the sale of goods in the ordinary course of business. The expected credit loss for trade receivables is determined using a provision matrix approach. The macroeconomic variables considered were inflation and brent oil prices.

Notes to the Financial Statements Cont'd.

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

i. *Trade receivables (continued)*

The expected loss rates as at 31 December 2025 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*	104,233	132,803	-	-	-	237,036
Default rate	0.05 %	0.11 %	0.20 %	0.25 %	0.43 %	-
Lifetime ECL	(49)	(144)	-	-	-	(193)
Net trade receivables	**104,184**	**132,659**	**-**	**-**	**-**	**236,843**

The expected loss rates as at 31 December 2024 are as follows:

₦'000 Age of trade receivables	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 365 days	Total
Gross carrying amount*	75,545	153,380	-	-	-	228,925
Default rate	0.09 %	0.20 %	0.30 %	0.39 %	1.00 %	-
Lifetime ECL	(68)	(313)	-	-	-	(381)
Net trade receivables	**75,477**	**153,067**	**-**	**-**	**-**	**228,544**

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

₦'000	31 December 2025	31 December 2024
Gross carrying amount as at 1 January	**228,922**	**63,685**
Additions during the year	1,917,006	6,921,720
Receipts for the year	(1,908,892)	(6,756,480)
Gross carrying amount as at 31 December	**237,036**	**228,925**

Due from related party is not included as the impairment testing was significantly immaterial

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 ₦144.2 billion (2024: ₦45.6 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'd.

3.1 Financial risk factors (continued)

3.1.3 Liquidity risk (continued)

Maturity analysis table

₦'000	Less than 6 months	6 - 12 months	Over 12 months	Total
At 31 December 2025				
Financial liabilities:				
Trade and other payables	194,266,496	115,541,921	-	309,808,417
Bank borrowings	45,693,876	46,215,552	434,110,312	526,019,740
Debt security issued	16,531,250	15,992,188	30,367,188	62,890,626
Lease liabilities	121,456	23,480	-	144,936
	256,613,078	**177,773,141**	**464,477,500**	**898,863,719**

₦'000	Less than 6 months	6 - 12 months	Over 12 months	Total
At 31 December 2024				
Financial liabilities:				
Trade and other payables	116,187,284	223,596,368	-	339,783,652
Bank borrowings	20,300,084	28,014,500	447,306,313	495,620,897
Debt security issued	-	-	85,741,880	85,741,880
Lease liabilities	32,088	34,176	21,907	88,171
	136,519,456	**251,645,044**	**533,070,100**	**921,234,600**

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 due to short term nature of the balances. The fair values of long term borrowings and debt securities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

₦'000	At 31 December 2025		At 31 December 2024	
	Amortised cost	Fair value	Amortised cost	Fair value
Financial assets				
Trade receivables	236,843	236,843	228,544	228,544
Cash and cash equivalents	280,379,968	280,379,969	84,749,250	84,749,250
Financial liabilities				
Trade and other payables	(309,808,417)	(309,808,417)	(339,783,651)	(339,783,651)
*Short-term bank borrowings	(156,303,553)	(157,541,665)	(48,314,584)	(48,314,584)
Long-term bank borrowings	(313,072,476)	(333,876,554)	(444,824,129)	(453,883,702)
Current lease liabilities	(144,936)	(144,936)	(88,171)	(88,171)
Debt security issued	(57,254,261)	(58,482,817)	(85,741,880)	(85,741,880)
	(555,966,832)	**(579,237,577)**	**(833,774,621)**	**(842,834,194)**

*Short term bank borrowings included short term borrowings (₦54.69 billion) and current portions of long term borrowings (₦101.6 billion).

Value added tax, withholding tax and other statutory related items are excluded as they are non-financial instruments.

Notes to the Financial Statements Cont'd.

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 2025	31 December 2024
Debt	24 & 25	526,630,290	578,880,593
Cash and cash equivalents	19	(280,379,968)	(84,749,250)
Net debt		**246,250,322**	**494,131,343**
Equity		672,899,645	388,548,235
Gearing ratio		37 %	127 %

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.

3.3 Capital risk management (continued)

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 2025.

4. Critical accounting estimates and judgments

The preparation of financial statements requires directors to use judgment in applying its accounting policies and 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.

Notes to the Financial Statements Cont'd.

4. **Critical accounting estimates and judgments (continued)**

4.1 **Estimation of the useful life and depreciation method of property, plant and equipment (continued)**

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.

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 10% with all other variables held constant.

₦'000	At 31 December 2025	At 31 December 2024
Present value of decommissioning liability	11,072,890	52,142,514
Effect of 10% increase in inflation rate	1,107,289	5,214,251
Effect of 10% decrease in inflation rate	(1,107,289)	(5,214,251)
Effect of 10% increase in discount rate	1,107,289	5,214,251
Effect of 10% decrease in discount rate	(1,107,289)	(5,214,251)

4.3 **IAS 36 - Impairment of PPE**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

IAS 36 defines recoverable amount as the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. The standard provides additional guidance on the use of present value techniques in measuring an asset's value in use. In determining fair value IAS 36 refers to the measurement requirements of IFRS 13 Fair Value Measurement.

4.4 **IAS 23 - Borrowing cost**

IAS 23 requires application of a capitalisation rate to the expenditures for property, plant and equipment to determine the amount of borrowing costs to be capitalised as part of the aggregate asset cost.

General 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 the assets, until such time as the assets are substantially ready for their intended use or sale.

4.5 **IAS 2 - Net realisable value for inventory**

IAS 2 requires that inventory should be measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

No inventory provision has been made as at year end.

Notes to the Financial Statements Cont'd.

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 2025	31 December 2024
Sale of bagged cement	1,171,877,176	874,504,554
Sale of bulk cement	7,567,724	1,965,295
	1,179,444,900	**876,469,849**

There is no single customer that contributed more than 10% of the total revenue from the sale of cement in 2025 (2024: Nil) The revenue from customers are recognised at a point in time when control is transferred to the customer.

(a) **Disaggregation of revenue from contracts with customers**

Revenue from contracts with customers is disaggregated by primary geographical market.

i) **Primary geographical markets**

₦'000	31 December 2025	31 December 2024
Nigeria	1,164,644,250	875,838,208
Outside Nigeria	14,800,650	631,641
	1,179,444,900	**876,469,849**

(b) **Liabilities relating to contracts with customers**

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

₦'000	31 December 2025	31 December 2024
	105,812,462	113,936,226
Contract liabilities	105,812,462	113,936,226

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

₦'000	31 December 2025	31 December 2024
Balance as at 1 January	**113,936,226**	**105,115,874**
Payments received in advance of satisfaction of performance obligation	1,299,453,156	962,077,492
Revenue recognised (net of rebates and discounts)	(1,179,444,900)	(876,469,849)
Refund, taxes and other transfers	(128,132,020)	(76,787,291)
	105,812,462	**113,936,226**

Notes to the Financial Statements Cont'd.

6. Cost of sales

₦'000	31 December 2025	31 December 2024
* Raw materials	95,167,768	12,217,976
Energy consumption	244,751,771	282,483,504
Lubricants	3,735,133	2,542,259
Quarry fees and royalties	6,062,544	2,290,595
Staff costs (Note 9)	14,108,035	12,217,533
Amortisation of intangible assets (Note 17)	676,698	604,277
Depreciation of property, plant and equipment (Note 15)	32,253,810	24,437,244
Depreciation of right of use (Note 16(a))	32,940	21,395
Other repairs and maintenance expenses	26,592,849	19,314,052
Operation and maintenance service charges	152,846,250	215,284,121
Water supply	32,789	85,643
Explosives	897,115	651,877
Communication expenses	604,311	708,061
Printing and stationery	2,719	5,826
Subscription dues	622	2,000
Transportation and travelling expenses	726,317	620,160
Refractories cost	5,904,612	1,665,926
Insurance	1,517,219	1,626,883
**Other expenses	2,326,249	1,972,593
Subtotal (before decommissioning adjustment)	**588,239,751**	**578,751,925**
*Decommissioning liability adjustment	(12,976,653)	(2,548,608)
Total (after decommissioning adjustment)	**575,263,098**	**576,203,317**

*Raw materials include adjustment of opening and closing stock for the period.

**Other expenses mainly include protective clothings, uniforms and laboratory expenses.

***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.

Notes to the Financial Statements Cont'd.

7. Administrative expenses

(a)

₦'000	31 December 2025	31 December 2024
Energy consumption	157,590	574,445
Staff cost (Note 9)	12,144,815	6,477,294
Amortisation of intangible assets (Note 17)	6,549	9,173
Depreciation of property, plant and equipment (Note 15)	2,371,898	851,325
Depreciation of right of use (Note 16(a))	110,822	89,039
Audit fee	231,125	200,000
*Consultancy fees	1,139,275	1,075,609
Other repairs and maintenance expenses	941,340	906,558
Office running expenses	143,678	42,835
Communication expenses	312,855	168,334
Printing and stationery	217,580	173,537
Security expenses	2,597,799	2,003,495
Subscription dues	467,240	284,372
Transportation and travelling expenses	900,867	574,019
Bank charges	672,609	868,711
Insurance	515,685	446,389
**Other expenses	1,226,117	3,438,825
Listing fees	336,439	401,802
Donations	649,668	1,728,419
Public relations	1,210,043	754,134
Directors' expenses	492,525	348,820
Directors emoluments	979,543	644,760
	27,826,062	**22,061,895**

*Consultancy fee includes tax, legal and administrative fees.

**Other expenses relate mainly to environmental expenses, ground rent, registration, and AGM expenses.

No non-audit services were provided by the Company's auditor (2024: Nil). Non-audit services provided by other professionals in respect of the financial statements are as follows:

Name of professional	FRC number of the professional	Name of firm	FRC number of firm	Nature of service
Miller Kingsley (FNAS,FSA)	FRC/2012/NAS/00000002392	Ernst & Young	FRC/2023/COY/209403	Actuarial
Oguntayo Isaac Ogungbenro	FRC/2014/ICAN/00000004961	KPMG	FRC/2023/COY/267452	Tax

(b) Foreign exchange loss - net

₦'000	31 December 2025	31 December 2024
Net foreign exchange loss on borrowings	7,707,984	237,661,060
Foreign exchange gains/(loss) capitalised	8,127,962	(52,493,150)
Net (gain) on other foreign exchange transactions	(6,139,682)	(93,062,591)
	9,696,264	**92,105,319**

The foreign exchange loss capitalised relates to the portion of the exchange losses arising from foreign currency borrowings eligible to be capitalised as part of the borrowing costs for capital projects under construction.

Notes to the Financial Statements Cont'd.

8. Distribution and selling expenses

₦'000	31 December 2025	31 December 2024
Staff cost (Note 9)	1,585,896	1,279,860
Energy consumption	293	288
Distribution costs	46,785,945	30,580,345
Depreciation of PPE (Note 15)	13,805,953	9,502,046
Cement haulage charges	436,963	971,784
Office running expenses	1,340	342
Advertisement and promotion	524,412	62,284
Communication expenses	34,553	30,325
Printing and stationery	78,356	55,595
Subscription dues	237	165
Transportation and travelling expenses	228,773	189,600
Other repairs and maintenance expenses	2,395	2,197
*Other expenses	124,882	183,809
	63,609,998	**42,858,640**

* Other expenses relate to incidentals, marketing expenses, tenement and ground rent, security and refreshments.

9. Staff cost

As at 31 December 2025, the Company had 1,559 permanent employees (2024: 1,618). Employee benefits expense is made up of the following for all employees, including executive directors:,

Staff Costs

₦'000	31 December 2025	31 December 2024
Staff salaries and allowances	20,574,308	17,278,304
Staff welfare and training	5,045,863	1,073,479
Medical expenses	575,616	334,569
Pension (employer contribution)	847,716	782,438
Defined benefit plan (Note 14(b)):		
- Current service cost	795,243	505,897
	27,838,746	**19,974,687**

Total employee costs

₦'000	31 December 2025	31 December 2024
Cost of sales	14,108,035	12,217,533
Administrative expenses	12,144,815	6,477,294
Distribution and selling expenses	1,585,896	1,279,860
	27,838,746	**19,974,687**

Notes to the Financial Statements Cont'd.

10. Impairment (loss) on financial assets

₦'000	31 December 2025	31 December 2024
Operating profit for the year is stated after (crediting)/charging the following, amongst others:		
Impairment (writeback)/loss on trade receivables (Note 20ii)	(188)	311

11. Other income

₦'000	31 December 2025	31 December 2024
Sundry income	847,519	294,484
Insurance claims	15,307	14,405
Amortisation of government grant (Note 26(b))	640,870	753,967
Profit on disposal of property, plant and equipment (Note 15(d))	1,058	900
	1,504,754	**1,063,756**

Insurance claims relate to payments received from insurance company for compensation on accidented vehicles and trucks

Sundry income relates to the sale of iron or metal scraps, grinding aid tanks and scrapped pipes.

12. Finance income and costs

(a) Finance income

₦'000	31 December 2025	31 December 2024
Interest income	17,010,577	18,190,652
Total interest income	**17,010,577**	**18,190,652**

(b) Finance cost

₦'000	31 December 2025	31 December 2024
Interest expense on lease liability (Note 16)	17,287	8,259
Interest expense on debt security issued (Note 25)	6,190,591	8,453,184
Interest expense on defined benefit obligation (Note 14b)	656,656	384,343
Interest expense on borrowings (Note 24(a))	51,548,462	99,812,305
Interest expense on overdraft	712	3,864,841
Unwinding of discount on provisions and other liabilities (Note *23)*	10,012,286	3,552,002
Total finance costs	**68,425,994**	**116,074,934**
Interest capitalised**	(12,137,217)	(56,023,351)
Total finance costs expensed	**56,288,777**	**60,051,583**
Net Finance cost expensed	**39,278,200**	**41,860,931**

*The unwinding of provision for liabilities is due to passage of time in recognition of the present value of the future obligation relating to restoration of quarries being mined by the Company as at year end. Amount is non-cash and has been adjusted for in cash generated from operating activities in the statement of cash flows.

**This relates to interest capitalised on borrowings.

Interest income relates to interest received on fixed deposits.

Notes to the Financial Statements Cont'd.

12 Finance and income costs (continued)

Interest expense has been calculated using the effective interest rate except interest expense on defined benefit defined benefit obligations, unwinding of discount provision, and other liabilities.

The capitalisation rate used to determine the amount of general borrowing costs to be capitalised is the weighted average rate applicable to the Company's general borrowings. The determined effective interest rate of the general borrowing cost is 14.9% (2024:15.33%).

The specific borrowing costs were capitalised using the actual cost that are directly attributable to the acquisition, construction or production of the qualifying assets. The determined effective interest rate of the specific borrowing cost is: IFC Loan - 10.53%.

13. Taxation

(a) Major components of the tax expense

Income tax charge

₦'000	31 December 2025	31 December 2024
Income tax overprovision in prior year	-	(10,985,063)
Company tax	20,452,379	-
Tertiary education tax (3% of assessable profit)	8,610,116	2,363,456
Police trust fund levy (0.005% of net profit)	23,264	5,118
Total current income tax charge/ (credit)	**29,085,759**	**(8,616,489)**
Deferred tax charge	80,152,185	34,337,438
Income tax charge	**109,237,944**	**25,720,949**
Minimum tax charge (0.05% of gross turnover less franked investment income)	-	2,057,862
Minimum tax underprovision in prior year	-	755,146
Total minimum tax charged	**-**	**2,813,008**

In line with IFRIC 21, there was no minimum tax in 2025 (2024: ₦2.06 billion) arising from minimum tax computations is presented above the line in the statement of profit or loss and other comprehensive income for the year. The balance of the minimum tax liability is presented under other liabilites.

Profit is apportioned between the plants on the basis of cement dispatched from the plants

(b) Current income tax liabilities

₦'000	31 December 2025	31 December 2024
The movement in current income tax liabilities is as follows:		
Opening balance	2,470,056	13,564,271
Charge/ (credit) for the year	29,085,760	(8,616,489)
Payment during the year	(2,345,433)	(2,477,726)
Closing balance	**29,210,383**	**2,470,056**

Reconciliation of the tax expense

A reconciliation of the Company's tax expense, the product of accounting profit multiplied by domestic tax rate for the year ended 31 December 2025 is as follows:

Notes to the Financial Statements Cont'd.

13. Taxation (continued)

₦'000	31 December 2025	31 December 2024
Profit before tax	**465,276,220**	**99,630,184**
Tax at the applicable tax rate of 30% (2024: 30%)	139,582,866	29,889,055
Adjustments:		
Tertiary education tax (3% of assessable profit)	8,610,116	2,363,456
Police trust fund levy (0.005% of net profit)	23,264	5,118
Pioneer status adjustment	(38,978,302)	(6,536,680)
	109,237,944	**25,720,949**

(c) Deferred tax liabilities

₦'000	31 December 2025	31 December 2024
Opening balance	**47,973,774**	**13,783,316**
Deferred tax charge for the year - profit or loss	80,152,185	34,337,438
Deferred tax charged/(credit) for the year - OCI	83,146	(146,980)
Closing balance	**128,209,105**	**47,973,774**

Deferred tax liabilities relates to unutilised capital allowances, employee defined benefit, unrealised exchange loss and provisions on the Company's Kalambaina Production Line 1 and Okpella Production Line 2 which are expected to unwind with passage of time.

₦'000	Property, plant and equipment	Unrealised exchange difference	Provisions and others*	Total
At 1 January 2025	**(103,813,788)**	**57,881,080**	**(2,041,066)**	**(47,973,774)**
Credit to other comprehensive income	-	-	(83,146)	(83,146)
(Charged)/credited to profit or loss	(33,729,267)	(54,962,604)	8,539,686	(80,152,185)
At 31 December 2025	**(137,543,055)**	**2,918,476**	**6,415,474**	**(128,209,105)**
At 1 January 2024	**(39,657,196)**	**22,851,574**	**3,022,306**	**(13,783,316)**
Credit to other comprehensive income	-	-	146,980	146,980
(Charged)/credited to profit or loss	(64,156,592)	35,029,506	(5,210,352)	(34,337,438)
At 31 December 2024	**(103,813,788)**	**57,881,080**	**(2,041,066)**	**(47,973,774)**
Deferred tax liability			(142,338,451)	(62,103,120)
Deferred tax asset			14,129,346	14,129,346
Total net deferred tax liability			**(128,209,105)**	**(47,973,774)**

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 contribution based on the employee's emoluments in the ratio 8% by the employee and 10% by the employer.

The Company's contributions to this scheme is charged to the profit or loss account in the period to which they relate. Contributions to the scheme are managed by the various Pension Fund Administrations on behalf of the beneficiary staff, in line with the provisions of the Pension Reform Act.

Notes to the Financial Statements Cont'd.

14 Employee benefit obligations (continued)

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 2025, the Company had no unpaid contribution (2024: 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 (2024: 60 years).

The valuations of the present value of the defined benefit plan were carried out at 31 December 2025 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

Financial assumptions

Risk exposure

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in Bond Yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risks	The Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

The principal financial assumptions used for the purposes of the actuarial valuations were as follows:

%	31 December 2025	31 December 2024
Long-term average discount rate per annum	19.00	20.00
Average rate(s) of salary increase per annum	17.00	16.50
Average inflation rate per annum	16.50	16.00

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).

IFRS through IAS 19 requires that the discount rate be 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).

Notes to the Financial Statements Cont'd.

14 Employee benefit obligations (continued)

The discount rate should reflect the duration of the liabilities of the benefit programme.

The weighted average liability duration for the plan is 12.73 years. The average weighted duration of the closest Nigerian government bond as at 31 December 2025 was 6.99 years with a gross redemption yield of 14.99%.

The Company has adopted 19% (2024: 17.7%) per annum as the discount rate for the current year valuation.

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	2025	2024
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service

Age band	2025 rate	2024 rate
Less than or equal to 30	3.0 %	3.0 %
31 – 35	2.0 %	3.0 %
36 – 40	2.0 %	3.0 %
41 – 45	2.0 %	2.0 %
46 – 55	3.0 %	5.0 %

ii. The amount included in the statement of financial position as a result of the Company's obligation in respect of its defined benefit plans is as follows:

₦'000	31 December 2025	31 December 2024
Present value of the defined benefit plan	**9,163,468**	**7,134,372**

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

₦'000	31 December 2025	31 December 2024
Balance at beginning of the year	**7,134,372**	**4,572,205**
Current service cost	795,243	505,897
Interest cost	656,656	384,343
Defined benefit plan amendment (Employee cost)	(748,897)	(462,627)
Actuarial losses/(gains) - Change in assumption	(16,560)	(208,914)
Actuarial losses/(gains) - Experience adjustment	2,198,356	3,212,336
Benefit paid during the year	(855,702)	(868,868)
	9,163,468	**7,134,372**

Notes to the Financial Statements Cont'd.

14 Employee benefit obligations (continued)

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

₦'000	31 December 2025	31 December 2024
Current service cost (Employee cost)	795,243	505,897
Interest on obligation (Finance cost)	656,656	384,343
Defined benefit plan amendment (Employee cost)	(748,897)	(462,627)
	703,002	**427,613**

Amounts recognised in other comprehensive income (OCI) are as follows:

₦'000	31 December 2025	31 December 2024
Actuarial loss/(gain) on defined benefit plan:		
- Change in assumption	(16,560)	(208,914)
- Change in experience adjustment	2,198,356	3,212,336
	2,181,796	**3,003,422**
Deferred tax (credit)/charge	83,142	(146,980)
Amount recognised in OCI (net of tax)	**2,264,938**	**2,856,442**

₦'000	31 December 2025	31 December 2024
Balance at 1 January	7,134,372	4,572,204
Net periodic benefit cost recognised in profit or loss	1,451,899	890,240
Benefit paid during the year	(855,702)	(868,867)
Plan participants' contribution	(748,897)	(462,627)
Amount recognised in other comprehensive income	2,181,796	3,003,422
Balance at 31 December	**9,163,468**	**7,134,372**

iii. **Sensitivity analysis on employee benefit**

₦'000		Accrued liabilities	
		2025	**2024**
Accrued liabilities		**9,163,468**	**7,134,372**
Sensitivity base	**Parameters**		
Discount rate	+1%	1,851,951	1,289,419
	-1%	2,128,529	1,482,604
Salary increase	+1%	2,140,994	1,490,324
	-1%	1,839,267	1,281,392
Mortality experience	Age rated up by 1 year	1,983,015	1,380,584
	Age rated down by 1 year	1,980,357	1,379,176

Notes to the Financial Statements Cont'd.

14 Employee benefit obligations (continued)

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 10.17 years (2021 9.19 years). The expected maturity analysis of the defined benefit obligation is as follows:

Year	₦'000
2025	611,448
2026	513,901
2027	553,653
2028	923,631
2029	1,155,920
2030-2034	7,419,697

Notes to the Financial Statements Cont'd.

15. Property, plant and equipment (PPE)

₦'000	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Construction Work in Progress	Total
Cost										
At 1 January 2024	**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**
Additions	15,082	1,696,995	2,502,079	333,266	1,851,432	-	375,661	-	391,468,885	398,243,400
Disposals	-	-	(3,408)	-	(9,000)	-	(614)	-	-	(13,022)
Transfers	2,247,196	79,913,928	416,446,211	-	-	-	-	49,061,383	(547,668,718)	-
Reclassifications	-	-	-	-	-	-	-	-	(10,485,264)	(10,485,264)
Changes in estimates	-	-	-	-	-	26,009,319	-	-	-	26,009,319
At 31 December 2024	**3,645,657**	**142,982,050**	**980,689,945**	**1,316,898**	**5,525,890**	**49,705,898**	**2,369,419**	**86,857,927**	**57,788,230**	**1,330,881,914**
Additions	97,657	568,118	12,126,893	212,218	1,375,563	-	1,058,079	-	68,164,320	83,602,848
Disposals	-	-	-	-	(44,000)	-	(1,995)	-	-	(45,995)
Changes in estimates	-	-	-	-	-	(38,105,257)	-	-	-	(38,105,257)
At 31 December 2025	**3,743,314**	**143,550,168**	**992,816,838**	**1,529,116**	**6,857,453**	**11,600,641**	**3,425,503**	**86,857,927**	**125,952,550**	**1,376,333,510**

	Land	Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Quarry equipment	Tools, computers, laboratory and office equipment	Trucks	Capital work in progress	Total
Depreciation and impairment										
At 1 January 2024	**-**	**(7,999,049)**	**(81,691,878)**	**(551,876)**	**(2,008,227)**	**(4,646,564)**	**(1,101,763)**	**(15,625,186)**	**-**	**(113,624,593)**
Disposal	-	-	454	-	9,000	-	375	-	-	9,829
Depreciation	-	(2,431,565)	(19,968,130)	(151,780)	(796,291)	(1,846,546)	(298,062)	(9,298,241)	-	(34,790,615)
At 31 December 2024	**-**	**(10,430,614)**	**(101,659,554)**	**(703,656)**	**(2,795,568)**	**(6,493,110)**	**(1,399,450)**	**(24,923,427)**	**-**	**(148,405,379)**
Disposals	-	-	-	-	27,594	-	1,995	-	-	29,589
Depreciation	-	(3,487,196)	(26,411,206)	(190,136)	(1,017,448)	(3,964,314)	(366,244)	(12,995,118)	-	(48,431,662)
At 31 December 2025	**-**	**(13,917,810)**	**(128,070,760)**	**(893,792)**	**(3,785,422)**	**(10,457,424)**	**(1,763,699)**	**(37,918,545)**	**-**	**(196,807,452)**
Carrying amount										
At 31 December 2024	**3,645,657**	**132,551,436**	**879,030,391**	**613,242**	**2,730,322**	**43,212,788**	**969,969**	**61,934,500**	**57,788,230**	**1,182,476,535**
At 31 December 2025	**3,743,314**	**129,632,358**	**864,746,078**	**635,324**	**3,072,031**	**1,143,217**	**1,661,804**	**48,939,382**	**125,952,550**	**1,179,526,058**

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

Notes to the Financial Statements Cont'd.

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

There was no transfer from capital work-in-progress to other asset classes in the period (2024: ₦547 billion).

In 2024, there was a reclasssification of ₦10.5 billion for a gas delivery facility, previously in CWIP, which has been moved to prepayments and other assets, because the facility belongs to the gas supplier under a fund-and-transfer contract.

There was no write-off in the year (2024: Nil) There was addition of ₦83.6 billion, and disposals of ₦45.96 million.

Included in quarry equipment is cost relating to restoration of quarry sites being mined by the Company as at 31 December 2025. Cost as at 1 January 2025 was ₦49.7 billion (Note 15) and a reduction of ₦38 billion (2024: an increase of ₦26 billion) was recognised in the current year due to changes in estimates. There was an adjustment of ₦12.98 billion to decommissioning liability recognised. Current year depreciation charge recognised on the restoration cost is ₦3.9 billion (2024: ₦1.8 billion).

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

₦'000	31 December 2025	31 December 2024
Cost of sales	32,253,810	24,437,244
Administrative expenses	2,371,898	851,325
Distribution and selling expenses	13,805,953	9,502,046
	48,431,662	**34,790,615**

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

₦'000	31 December 2025	31 December 2024
Increase in net book value of property, plant and equipment	(2,950,477)	378,973,647
Reclassification	-	10,485,264
Net book value of disposed assets	16,407	3,193
Depreciation of property plant and equipment	48,431,662	34,790,615
Change in estimate of decommissioning liability	38,105,257	(26,009,319)
Total addition	83,602,849	398,243,400
Adjustment for non-cash items:		
- Net borrowing cost capitalised	(4,009,256)	(108,516,501)
	79,593,593	**289,726,899**

(d) Proceeds from disposal of PPE in statement of cash flows is analysed below:

₦'000	31 December 2025	31 December 2024
Proceed from disposal of asset	17,465	4,093
Cost	45,995	13,022
Accumulated depreciation	(29,588)	(9,829)
Less: net book value of disposed assets	**(16,407)**	**(3,193)**
Gains on disposal	**1,058**	**900**

16. Leases

This note provides information for leases where the Company is a lessee.

(a) *Amounts recognised in the statement of financial position*

The balance sheet shows the following amounts relating to leases:

₦'000	31 December 2025	31 December 2024
Right-of-use assets		
Opening balance as at 1 January	83,750	115,627
Additions	245,885	78,557
Depreciation	(143,762)	(110,434)
Closing balance as at 31 December	**185,872**	**83,750**

Notes to the Financial Statements Cont'd.

16. **Leases (continued)**

₦'000	31 December 2025	31 December 2024
Accumulated Depreciation		
Opening balance as at 1 January	**(457,017)**	**(346,582)**
Depreciation charged for the year	(143,762)	(110,435)
Closing balance as at 31 December	**(600,779)**	**(457,017)**

The Company leases several assets, including buildings, plant and IT equipment. The average lease term is 2 years (2024: 2 years).

The Company adopted cost mode (cost minus accumulated depreciation and accumulated impairment if any) in accounting for its right of use asset. The right of use asset is subsequently depreciated using the straight-line method over the shorter of the asset's useful life and the lease term.

(b)

₦'000	31 December 2025	31 December 2024
Lease liabilities		
Opening balance as at 1 January	88,171	73,867
Additions	245,885	78,557
Interest expense on lease liability	17,287	8,259
Payment	(206,407)	(72,512)
Closing balance as at 31 December	**144,936**	**88,171**
Current liabilities	144,936	88,171
Non-current liabilities	-	-
	144,936	**88,171**

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

₦'000	31 December 2025	31 December 2024
Depreciation charged to cost of sales	32,940	21,395
Depreciation charged to administrative expenses	110,822	89,040
Finance cost on lease liability	17,287	8,259
	161,049	**118,694**

17. Intangible assets

₦'000	Exploration Assets	Mineral rights	Licenses and franchises	Computer software	Total
Cost					
At 1 January 2024	2,909,808	11,183,675	3.025	109,724	14,206,232
Additions	-	1,146,829	-	-	1,146,829
At 31 December 2024	**2,909,808**	**12,330,504**	**3,025**	**109,724**	**15,353,061**
Additions	194,976	631,376	-	-	826,352
At 31 December 2025	**3,104,784**	**12,961,880**	**3,025**	**109,724**	**16,179,413**
Accumulated amortisation					
At 1 January 2024		(1,287,558)	(3,025)	(93,985)	(1,384,568)
Amortisation	-	(604,277)	-	(9,173)	(613,450)
At 31 December 2024	-	**(1,891,835)**	**(3,025)**	**(103,158)**	**(1,998,018)**
Amortisation	-	(676,698)	-	(6,549)	(683,247)
At 31 December 2025	-	**(2,568,533)**	**(3,025)**	**(109,707)**	**(2,681,265)**
Carrying amount					
At 31 December 2024	2,909,808	10,438,669	-	6,566	13,355,043
At 31 December 2025	3,104,784	10,393,347	-	17	13,498,148

Notes to the Financial Statements Cont'd.

17. **Intangible assets (continued)**

The amortisation charged for the year is apportioned as follows:

₦'000	31 December 2025	31 December 2024
Cost of sales	676,698	604,277
Administrative expenses	6,549	9,173
	683,247	**613,450**

Mineral rights are costs directly associated with the acquisition of quarries.

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 2025	31 December 2024
Fuel	14,030,480	10,565,162
Engineering spares	55,433,365	42,159,609
Packing materials	4,972,649	2,020,141
Raw materials	58,675,780	44,366,662
Goods in transit	10,903,883	2,017,551
Work in progress	27,643,283	58,376,011
Finished goods	103,906	292,296
	171,763,346	**159,797,427**

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2025 amounted to ₦200.89 billion: (2024:₦17.09 billion). These were included in cost of sales.

There was no provision made for inventory obsolescence during the year (2024: Nil).

19. Cash and cash equivalents

Cash and cash equivalents consist of:

₦'000	31 December 2025	31 December 2024
Cash on hand	21,951	14,510
Bank balances	135,412,228	39,137,821
Short-term deposits	144,945,789	45,596,919
Total	**280,379,968**	**84,749,250**

Short term deposits relate to 90 days fixed investments with commercial banks.

20. Trade receivables

(i)

₦'000	31 December 2025	31 December 2024
Financial instruments:		
Trade receivables	237,036	228,925
Loss allowance	(193)	(381)
Total trade and other receivables	**236,843**	**228,544**
Split between non-current and current portions		
Non-current assets	-	-
Current assets	236,843	228,544
	236,843	**228,544**

Notes to the Financial Statements Cont'd.

20. **Trade receivables (continued)**

(ii) **Impairment of trade receivables**

The reconciliation of loss allowance for trade receivables as at 31 December 2024 to the opening loss allowance on 1 January 2024 and to the closing loss allowance as at 31 December 2025 is as follows:

₦'000	31 December 2025	31 December 2024
Opening balance as at 1 January	381	70
(Reversals)/Impairment during the year	(188)	311
Closing balance as at 31 December	**193**	**381**

21. Prepayments and other assets

₦'000	31 December 2025	31 December 2024
Prepayment for engineering and construction work	37,757,646	25,942,427
Advance to staff	929,029	800,138
Other prepayments (*)	121,439,066	80,147,308
	160,125,741	**106,889,873**

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

22. Trade and other payables

(a)

₦'000	31 December 2025	31 December 2024
Financial liabilities:		
Trade payables	301,197,848	332,550,377
Other payables and accrued expenses	8,062,697	6,519,124
Unclaimed dividend	547,872	714,151
	309,808,417	**339,783,652**
Non-financial liabilities:		
Accruals, provisions and other liabilities	279,117	279,379
Statutory obligations:		
Payroll tax and other statutory liabilities	1,166,048	1,175,737
Withholding tax payable	29,236,350	21,425,924
Minimum tax	-	2,057,862
Value added tax payable	31,029,964	12,350,571
	371,519,896	**377,073,124**

(b)

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

₦'000	31 December 2025	31 December 2024
Movement in trade payables and other payables	(5,553,228)	295,108,807
Effect of unrealised exchange loss (Note 7)	11,151,413	93,062,591
Minimum Tax	-	(2,057,862)
	5,598,185	**386,113,536**

23. Provision for decommissioning liabilities

BUA Cement Plc is involved in the mining of four active limestone quarries, two clay quarry 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 2025.

Notes to the Financial Statements Cont'd.

23. Provision for decommissioning liabilities (continued)

There were eight active quarries as at 31 December 2025 (2024: 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 (2024: 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 2025. 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 2025	31 December 2024
Opening balance as at 1 January	52,142,514	25,129,801
(Decrease)/Increase in decommissioning liability as a result of changes in estimates	(38,105,257)	26,009,319
Decommissioning liability adjustment	(12,976,653)	(2,548,608)
Unwinding of interest	10,012,286	3,552,002
Closing balance as at 31 December	**11,072,890**	**52,142,514**

₦'000	31 December 2025	31 December 2024
(b) **Provision for decommissioning liabilities**		
Current liabilities	1,794,202	3,552,002
Non-current liabilities	9,278,688	48,590,512
	11,072,890	**52,142,514**

24. Bank borrowings

₦'000	31 December 2025	31 December 2024
Bank loans	469,376,029	493,138,713
Split between non-current and current portions		
Non-current liabilities	313,072,476	444,824,129
Current liabilities	156,303,553	48,314,584
	469,376,029	**493,138,713**

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

₦'000	31 December 2025	31 December 2024
Opening balance as at 1 January	**493,138,713**	**418,156,908**
Additional drawdowns in the year	16,565,392	22,844,569
Principal repayments	(50,126,227)	(190,422,793)
Interest expense	39,405,399	43,788,954
Interest capitalised	12,137,217	56,023,351
Interest repayments	(49,452,450)	(94,913,336)
Foreign exchange loss expensed	15,835,946	185,167,910
Foreign exchange (gain)/loss capitalised	(8,127,961)	52,493,150
Closing balance as at 31 December	**469,376,029**	**493,138,713**

Bank borrowings are secured by an all asset debenture over the fixed and floating assets of the Company.

The above borrowings are further classified based on average interest rate, maturity and provider of funds:
:

Notes to the Financial Statements Cont'd.

24. Bank borrowings (continued)

The borrowings have been analysed below

	Average Interest Rate	Maturity	2025	2024
IFC Loans	SOFR + 5.5%	December 2032	391,689,883	449,973,157
First Bank - Import trade finance	SOFR+10%	-	53,333,276	8,022,054
First Bank - Long term loan	26.0%	April 2025	-	4,622,661
Union Bank (RSSF Loan)	2020-5%	30 September 2030	11,916,057	14,141,546
Fidelity Bank (RSSF Loan)	2020-5%	30 September 2030	11,077,704	13,272,173
Providus Bank	18%		-	636,136
Union Bank IFF (Cleanline)	SOFR+8%		1,359,109	2,470,986
			469,376,029	**493,138,713**

(b) **Bank borrowings**

(i) **Due to First Bank of Nigeria Limited**

First Bank Import trade finance with an outstanding balance of ₦53 billion representing forex forward returned undelivered by CBN. The long term loan has an outstanding balance of ₦4.6 billion and matured on April 13, 2025. It carries a floating interest rate of 26% (2024: 26%).

(ii) **Due to Union Bank of Nigeria Limited**

The sum of ₦20 billion was obtained via CBN intervention fund from Union Bank of Nigeria Limited for a period of 10 years with effect from October 2020 at an interest rate of 5% per annum until August 2022 and then 9% afterwards.

(iii) **Due to Fidelity Bank Nigeria Limited**

The sum of ₦20 billion was obtained via CBN intervention fund from Fidelity Bank Nigeria Limited for a period of 10 years with effect from October 2020 at an interest rate of 5% per annum until August 2022 and then 9% afterwards.

(iv) **Due to International Finance Corporation (IFC)**

The sum of ₦391.8 billion ($274.2 million) represents the outstanding balance of a 9-year term loan granted to the company by IFC and other lenders, including the African Finance Corporation, the African Development Bank, and Deutsch Investitions- und Entwicklungsgesellschaft mbH, on April 27, 2023. There is a moratorium on principal repayments until 2025, and interest is payable semi-annually at a variable rate based on the 6-month SOFR+5.5%. Loan repayment commenced in December 2025, and the facility will mature in December 2032.

(v) **Due to Providus Bank Plc**

The sum of ₦636 million represents the outstanding balance on the import finance facility granted to the company by Providus Bank Plc. The facility carries an interest rate of 18%.

25. Debt security issued

₦'000	31 December 2025	31 December 2024
Debt securities at amortised cost:		
Series 1 bond (Note 25a)	**57,254,261**	**85,741,880**
Non-current	24,730,823	57,252,784
Current	32,523,438	28,489,096
	57,254,261	**85,741,880**

Notes to the Financial Statements Cont'd.

25. Debt security issued (continued)

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

₦'000	31 December 2025	31 December 2024
At 1 January	85,741,880	114,124,633
Interest expense	6,190,591	8,453,184
Principal repayments	(28,750,000)	(28,750,000)
Interest repayments	(5,928,210)	(8,085,937)
	57,254,261	85,741,880

(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 bond, either in part or in whole, as from the expiration of 48 months from the issue date, in accordance with the provisions of the Series 1 Trust Deed.

On initial recognition of the Series 1 bond, Management assessed the impact of the call option on the contractual cash flows to the bondholders and determined that the call option does not materially affect the contractual cash flows of the debt host contract, hence the option is closely related to the host contract and is not bifurcated from the host contract. The Series1 bond has been classified as a debt measured at amortised cost using effective interest rate

26. Government grant

(a)

₦'000	31 December 2024	31 December 2023
Government grants	1,463,930	2,104,800
Split between non-current and current portions		
Non-current liabilities	936,577	1,463,930
Current liabilities	527,353	640,870
	1,463,930	2,104,800

The nature and extent of government grants recognised in the financial statements is an indication of other forms of government assistance from which the entity has directly benefited and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised

(b) Movement in government grant is analysed below:

₦'000	31 December 2024	31 December 2023
Opening balance as at 1 January	2,104,800	2,858,767
Amount unwound to profit or loss	(640,870)	(753,967)
Closing balance as at 31 December	1,463,930	2,104,800

Government grant arose from the Central Bank of Nigeria's (CBN) intervention fund for the construction of a 3 million metric tonnes per annum of Cement Plant in Kalambaina, Sokoto in 2020. It relates to the Fidelity Bank RSSF and Union Bank RSSF which were granted at initial rate of 5% and 9% subsequently. The interest rates on these borrowings were below market rate and the portion below the market rate was treated as government grant.

27. Share capital

(a) Authorised

₦'000	31 December 2025	31 December 2024
33,864,354,060 ordinary shares @ 50 kobo per share	16,932,177	16,932,177
	16,932,177	16,932,177

Notes to the Financial Statements Cont'd.

27. Share capital (continued)

(b) Issued and fully paid

₦'000	31 December 2025	31 December 2024
Balance as at 1 January and 31 December		
33,864,354,060 ordinary shares @ 50 kobo per share	16,932,177	16,932,177
	16,932,177	16,932,177

28. Earnings per share

Basic earnings per share (EPS)

Reconciliation of profit for the year to basic earnings

₦'000	31 December 2025	31 December 2024
Profit for the year attributable to equity holders of the parent	356,038,275	73,909,235
Adjusted for:		

Reconciliation of basic earnings to earnings used to determine diluted earnings per share

₦'000	31 December 2025	31 December 2024
Basic earnings	356,038,275	73,909,235
Adjusted for:		

Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share

₦'000	31 December 2025	31 December 2024
Weighted average number of ordinary shares used for basic earnings per share	33,864,354	33,864,354
Adjusted for:		

Earning per share

	31 December 2025	31 December 2024
Basic earnings per share (Naira)	10.51	2.18

Diluted earnings per share is the same as the basic earnings per share as there are no potential securities convertible to ordinary shares.

29. Dividends paid

₦'000	31 December 2025	31 December 2024
Dividends	(69,421,926)	(67,728,708)

Dividends are from capital profits

30. Particulars of Directors and staff

	31 December 2025	31 December 2024
Management	14	17
Production	1,112	1,103
Administration	433	498
	1,559	1,618

Notes to the Financial Statements Cont'd.

30. Particulars of Directors and staff (continued)

(b) The table below shows the number of employees (excluding Directors) of the Company in receipt of emoluments, including allowances and pension costs within the following bands during the year.

₦'000	31 December 2025	31 December 2024
₦100,000 - ₦500,000	-	-
₦500,001 - ₦1,000,000	14	92
₦1,000,001 - ₦2,000,000	191	167
₦2,000,001 - ₦3,000,000	352	324
₦3,000,001 - ₦4,000,000	104	165
₦4,000,001 - ₦5,000,000	63	56
₦5,000,001 - ₦10,000,000	316	624
₦10,000,001 - ₦15,000,000	412	112
₦15,000,001 - ₦20,000,000	52	36
₦20,000,001 - ₦25,000,000	22	8
₦25,000,001 - ₦30,000,000	5	16
₦30,000,001 - ₦35,000,000	8	-
₦35,000,001 - ₦40,000,000	6	4
₦40,000,001 - ₦45,000,000	1	1
₦45,000,001 - ₦50,000,000	3	2
₦50,000,001 - ₦55,000,000	-	-
₦55,000,001 - ₦60,000,000	1	1
₦60,000,001 - ₦70,000,000	2	2
Above >₦70,000,000	7	8
	1,559	**1,618**

(c) Particulars of Directors

Directors' emoluments

The remuneration paid to the Directors of the Company was:

₦'000	31 December 2025	31 December 2024
Emoluments paid to the Directors of the Company	979,543	644,760
Amount paid to the highest paid Director	371,469	281,151

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 2025	31 December 2024
₦1,000,000 - ₦15,000,000	-	-
₦15,000,001 - ₦65,000,000	-	7
₦65,000,001 - ₦400,000,000	9	2
	9	**9**

31. Related party transactions and balances

The ultimate majority shareholder of the Company, Alhaji 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:

Notes to the Financial Statements Cont'd.

31. Related party transactions and balances (continued)

(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:

Compensation to directors and other key management

₦'000	31 December 2025	31 December 2024
Salaries and other short-term employee benefits	1,451,432	1,194,182
Pension costs	68,340	55,765
	1,519,772	**1,249,947**

(b) Outstanding balances with related parties

The receivables from related parties represents represent advance payments for goods and services expected from related parties. There are no outstanding balance due to related parties (2024:nil)

i Due from related parties

₦'000	Relationship	31 December 2025	31 December 2024
BUA International Limited	Sister company	51,180,134	22,684,364
PW Nigeria Limited	Sister company	(769,104)	87,079
		50,411,030	**22,771,443**

(c) Impairment of receivables from related parties

There was no impairment charged on amount due from related parties (2024: nil).

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

₦'000	31 December 2025	31 December 2024
Gross carrying amount due from related parties	**50,411,030**	**22,771,443**

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

₦'000	31 December 2024	31 December 2023
Movement in due from related parties	**(27,639,587)**	**(19,466,705)**

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

₦'000	31 December 2024	31 December 2023
Movement in due to related parties	**-**	**(51,118,269)**

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.

32. Contingent liabilities

(a) Legal cases

The Company is subject to some pending litigations arising from the normal course of business as at 31 December 2025. The summary of pending litigations are listed below:

(i) BUA Cement Plc is the 5th Defendant in a case with suit No. B/225/2020 - Citizen Emmanuel Kolawole Okhakhu & Anor V. Hon. Joseph Ikea & 4 Ors. The Claimant instituted this action against the Defendants claiming, inter alia, a declaration that the clandestine and hasty composition of the host Community Committee of 6 made up of the 2nd - 4th Defendants and 3 others by the 1st Defendant who is not an indigene of Okpella community without the consent of Okpella community is irregular, unlawful, null and void and of no effect whatever. The outcome is likely to be favourable.

Notes to the Financial Statements Cont'd.

32. Contingent liabilities (continued)

(ii) BUA Cement Plc is the 2nd Defendant in a case with suit No. HIG/45/2022 - Chief Orifa Oloke Asewele V. Chief Peter Momoh & 4 Ors. The Claimants are seeking an order to restrain the Company from dealing with the 1st defendant. The outcome will not have a negative effect on the Company. Based on legal advice, the probability of a material claim crystalising against the Company is low, hence no provisions have been recognised on these litigations.

(iii) BUA Cement is the 2nd Defendant in a case with suit No. SS/38/2025- Prof. G.V. Ardo & 3 Ors V. Wamako Local Government Council & 5 Ors. The Claimant instituted this action against the Defendants claiming, a declaration that the claimant, representing the Royal family of Baraden Wamakko. The outcome is likely to be favourable.

(iv) The suit is in respect to the execution of community development agreement, the claimant are alleging that they are the sole person that BUA Cement should enter into the agreement with. Suit No. HAG/16/2025 Chief Attah E.E. Anekhogie & 2 Ors V. BUA Cement Plc & Anor for BUA Cement Plc.

(v) Imiokpe Community, a subgroup within the larger Okpella Community has filed a suit at the High Court of Justice, Edo State (Agenebode Judicial Division), challenging the validity of the Community Development Agreement (CDA) previously signed between BUA Cement and the entire Okpella Community. The Claimants argue that Imiokpe, being the core host community, has exclusive rights to negotiate such agreements and that the Okuokpellegbe of Okpella lacked the mandate to sign any CDA on their behalf.

The Claimants seek several reliefs, including:

- An order directing the Defendants to pay ₦200,000,000 in damages for continued occupation of the land.
- An order awarding ₦3,000,000 as cost of the action.

Based on legal advice, the probability of a material claim crystalising against the Company is low, hence no provisions have been recognised on these litigations.

(vi) This is a garnishee enforcement proceeding at the Federal High Court, Lagos Judicial Division, in which BUA Cement Plc is cited as a garnishee on the basis that it allegedly holds funds belonging to FBN and/or owes debt due or accruing to FBN. The issues include whether BUA Cement holds attachable funds of FBN, whether any indebtedness is "due or accruing" for garnishee purposes, and whether the Court can compel BUA to pay over structured credit/repayment obligations to judgment creditors. Orders served reportedly require sworn disclosure/show-cause steps. Garnishee proceedings (underlying suit: FHC/L/CS/1332/2016) Gopetrol Oil & Gas Limited & 2 Ors v. First bank of Nigeria Limited (CBN and BUA Cement Plc cited as garnishees).

The outcome is likely to be favourable.

(vii) The Claimants filed a new suit on 3 February 2025 after withdrawing an earlier one. They are asking the court to invalidate four mining and quarry licences (25958 QLS, 22636 QLS, EL 36543, and EL 28628) granted to the 1st Defendant, alleging that the licences were obtained through impersonation and fraudulent misrepresentation of the Egbetua Community's consent. They seek several declarations and orders, including:

- That the licences are illegal, null, and void;
- That the 1st Defendant cannot be granted or exercise mining rights over Egbetua Community land without valid consent from the landholders/users;
- An order invalidating the licences; and
- A perpetual injunction restraining the Defendants from mining activities on the community's land.

The Claimants are essentially contesting the Community's authority to give communal consent for mining rights.

A preliminary objection was filed challenging service of court processes, but the trial court rejected it. An appeal has been filed at the Court of Appeal along with an application for stay of proceedings. Suit No: FHCABJ/CS/369/2025-the incorporated trustees of Egbetua Community Development Association v. BUA Cement Plc & Mining Cadastre Office. The outcome is likely to be favourable.

Notes to the Financial Statements Cont'd.

32. Contingent liabilities (continued)

(b) The Nigerian Tax Act (NTA) 2025

The tax year of assessment is a matter of contention for the NTA 2025, which became effective from 1 January 2026.

The Nigeria Revenue Service (NRS) has updated its tax portal to reflect the application of NTA 2025 to financial periods ended 31 December 2025. This position appears inconsistent with the prior year basis principle in tax of the Federal Republic of Nigeria. Our current and deferred tax positions have therefore been determined on the basis of the Companies Income Tax Act (as amended). If the NTA 2025 is ultimately adopted by the NRS, then the impact on the tax positions of the Company would be as follows:

(i) Company income tax charge – No impact,
(ii) Development levy – increase by ₦2.87 billion, and
(iii) Deferred tax liabilities – No impact

The net impact is a reduction in profit and net assets by ₦2.87billion. The recognition of these assessments is contingent upon confirmation of the basis of assessment which may be decided in court.

33. Capital commitments and guarantees

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

₦'000	31 December 2024	31 December 2023
Construction of Head office Building (Sokoto)	-	9,680,643
Purchase of Quarry Equipment	-	6,276,060
Obu Plant Line 1 limestone crusher and transport project	-	10,105,097
HFO distribution system	-	5,239,472
Site clearing -Ososo project	-	32,086,072
70MV Power Plant for line 3	-	1,567,568
Construction of 6 Bedroom Duplex at Shinkafi Road, Sokoto	135,813	-
Construction of 3 Bedroom Duplex at the Head Office, Sokoto.	59,757	-
Construction of feeder road & culverts at Girabshi, Sokoto.	49,651	-
Fencing of Ososo project site	560,000	-
Crusher 115 in Edo	7,000,326	-
Coal Mill Line 1 in Edo	12,253,675	-
	20,059,222	**64,954,912**

34. 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 2025 and on its profit or loss and other comprehensive income for the year.

Statement of Value added

Value Added

₦'000	31 December 2025	%	31 December 2024	%
Value added by operating activities				
Revenue	1,179,444,900		876,469,849	
Bought - in materials and services	(589,601,551)		(588,447,982)	
Other operating income	1,504,754		1,063,756	
Other operating gains (losses)	(9,696,264)		(92,105,319)	
	581,651,839	**97**	**196,980,304**	**92**
Value added by investing activities				
Investment income	17,010,577		18,190,652	
	17,010,577	3	18,190,652	8
Total Value Added	**598,662,416**	**100**	**215,170,956**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	27,838,746		19,974,687	
	27,838,746	**5**	**19,974,687**	**9**
To Pay Providers of Capital				
Finance costs	56,288,777		60,051,583	
	56,288,777	**9**	**60,051,583**	**28**
To Pay Government				
Income tax	26,944,252		(8,616,489)	
	26,944,252	**5**	**(8,616,489)**	**(4)**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	49,258,671		35,514,499	
Deferred tax	82,293,693		34,337,438	
	131,552,364	**22**	**69,851,937**	**32**
Value retained				
Retained profit	356,038,277		73,909,238	
	356,038,277	**59**	**73,909,238**	**34**
Total Value Distributed	**598,662,416**	**100**	**215,170,956**	**100**

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

Five-Year **Financial Summary**

Statement of Financial Position

	BUA Cement Plc				
₦'000	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Assets					
Non-current assets	1,193,210,078	1,195,915,328	816,440,179	676,241,399	584,308,003
Current assets	662,916,928	374,436,537	399,246,198	197,770,485	144,199,470
Total assets	**1,856,127,006**	**1,570,351,865**	**1,215,686,377**	**874,011,884**	**728,507,473**
Liabilities					
Non-current liabilities	485,391,137	607,249,101	453,424,600	205,338,186	185,035,606
Current liabilities	697,836,223	574,554,529	377,037,627	257,561,156	145,355,119
Total liabilities	**1,183,227,360**	**1,181,803,630**	**830,462,227**	**462,899,342**	**330,390,725**
Equity					
Share capital	16,932,177	16,932,177	16,932,177	16,932,177	16,932,177
Reserves	193,651,980	195,916,918	198,773,360	199,296,311	181,920,749
Retained income	462,315,489	175,699,140	169,158,613	194,884,054	199,263,822
Total equity	**672,899,646**	**388,548,235**	**385,224,150**	**411,112,542**	**398,116,748**
Total equity and liabilities	**1,856,127,006**	**1,570,351,865**	**1,215,686,377**	**874,011,884**	**728,507,473**

Statement of Profit or Loss and Other Comprehensive Income

	BUA Cement Plc				
₦'000	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Revenue	1,179,444,900	876,469,849	459,998,999	360,989,105	257,327,091
Cost of sales	(575,263,098)	(576,203,317)	(276,043,486)	(198,379,891)	(136,390,231)
Gross profit	**604,181,802**	**300,266,532**	**183,955,513**	**162,609,214**	**120,936,860**
Other operating income	1,504,754	1,063,756	2,062,130	2,786,131	2,633,076
Other operating gains (losses)	(9,696,264)	(92,105,319)	(69,956,046)	(5,501,109)	-
Other operating expenses	(91,435,872)	(64,920,846)	(41,364,356)	(30,609,874)	(19,345,294)
Operating profit	**504,554,420**	**144,304,123**	**74,697,240**	**129,719,816**	**104,224,642**
Investment Income	17,010,577	18,190,652	12,882,124	1,941,453	620,604
Finance costs	(56,288,777)	(60,051,583)	(19,936,889)	(10,553,365)	(1,705,833)
Minimum tax charge	-	(2,813,008)	(414,299)	(953,855)	(266,088)
Profit before taxation	**465,276,220**	**99,630,184**	**67,228,176**	**120,154,050**	**102,873,325**
Taxation	(109,237,945)	(25,720,949)	2,226,574	(19,143,424)	(12,794,314)
Profit from continued operations	**356,038,275**	**73,909,235**	**69,454,750**	**101,010,626**	**90,079,011**
Profit for the year	**356,038,275**	**73,909,235**	**69,454,750**	**101,010,626**	**90,079,011**
Retained income for the year	**356,038,275**	**73,909,235**	**69,454,750**	**101,010,626**	**90,079,011**

SHARE CAPITAL HISTORY

		AUTHORISED (UNIT)	ISSUED AND FULLY PAID UP (UNIT)
1	2014	20,000,000	20,000,000
2	2019	40,000,000 *(Share re-denomination from ₦1,000 to 0.50k each)*	40,000,000
3	2019	40,000,000,000 *Increase in authorised share capital*	40,000,000
4	2019	40,000,000,000 *Share Reconstruction*	20,720,853,095
5	2019	40,000,000,000 *Merger*	20,720,853,095
6	2019	40,000,000,000 *Share Reconstruction*	33,864,354,060
7	2023	33,864,354,060 *Cancellation of Shares*	33,864,354,060

05

Shareholder Information

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Registrar

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E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth D D M M Y Y Y Y

Surname/Company's Name | First Name | Other Name

Address

Previous Address

City | State | Country

Clearing House Number (CHN) (if any): C

Name of Stockbroking Firm

Tax Identification Number (TIN)

Mobile Telephone 1 | Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature: | Signature: (Joint/Company's Signatories) | Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

1. ABBEY MORTGAGE BANK PLC ☐
2. AFRILAND PROPERTIES PLC ☐
3. AFRICA PRUDENTIAL PLC ☐
4. ARDOVA PLC ☐
5. BUA CEMENT PIC ☐
6. BUA FOODS PLC ☐
7. CAP PLC ☐
8. CHAMPION BREWERIES PLC ☐
9. CSCS PLC ☐
10. CORDROS MONEY MARKET FUND ☐
11. GOLDEN CAPITAL PLC ☐
12. HALDANE MCCALL PLC ☐
13. INFINITY TRUST MORTGAGE PLC ☐
14. JAIZ BANK PLC ☐
15. LAGOS STATE BUILDING INVESTMENT COMPANY ☐
16. LIVING TRUST MORTGAGE BANK PLC ☐
17. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
18. MIXTA REAL ESTATE PLC ☐
19. ROADS NIGERIA PLC ☐
20. TRANSCORP HOTELS PLC ☐
21. TRANSCORP POWER PLC ☐
22. TRANSCORP PLC ☐
23 UACN PLC ☐
24. UNITED BANK FOR AFRICA PLC ☐
25. UNITED CAPITAL PIC ☐
26. UNITED CAPITAL BALANCED FUND ☐
27. UNITED CAPITAL BOND FUND ☐
28. UNITED CAPITAL EQUITY FUND ☐
29. UNITED CAPITAL MONEY MARKET FUND ☐
30. UNITED CAPITAL NIGERIAN EUROBOND FUND ☐
31. UNITED CAPITAL WEALTH FOR WOMEN FUND ☐
32. VFD GROUP PLC ☐
33. P.S MANDRIDES & CO. ☐
34. BUA CEMENT BOND ☐
35. CERPAC BOND - SERIES 2 ☐
36. CERPAC BOND - SERIES 3 ☐
37. EAT 'N GO BOND SERIES 1 ☐
38. EAT 'N GO BOND SERIES 2 ☐
39. EMZOR BOND ☐
40. FAMILY HOME SUKUK SERIES 1 ☐
41. FAMILY HOME SUKUK SERIES 2 ☐
42. GOMBE STATE BOND (G.O.S) ☐
43. GEL UTILITY FUNDING BOND ☐
44. INTERSWITCH AFRICA ONE PLC ☐
45. LAGOS FREE ZONE BOND SERIES 1 ☐
46. LAGOS FREE ZONE BOND SERIES 2 ☐
47. LAGOS FREE ZONE BOND SERIES 3 ☐
48. NORTH SOUTH POWER BOND_SERIES 1 ☐
49. NORTH SOUTH POWER BOND_SERIES 2 ☐
50. TOWER BOND ☐

OTHERS:

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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
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

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

SCAN

To Download Shareholders' Forms

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BUA CEMENT PLC RC 1193879
BUA Towers, PC 32, Churchgate Street, P. O. Box 70106, Victoria Island, Lagos

PROXY FORM

The 10th Annual General Meeting of BUA Cement Plc (the Company) to be held at **11:00 am** on **Thursday, 21st May 2026**, at the Congress Hall, Transcorp Hilton Hotel, No. 1, Aguiyi-Ironsi Street, Maitama, Abuja.

I/We.. of ....

being a 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 11:00 am on 21st May 2026.

Signature.. Dated this............ day of 2026

Number of Shares Held			
RESOLUTIONS		**FOR**	**AGAINST**
1.	To lay before the Members the Audited Financial Statements for the year ended 31st December 2025, together with the reports of the Directors, External Auditors, and the Audit Committee thereon.		
2.	To declare a dividend (₦10.00k).		
3.	To re-elect the following Directors who are retiring by rotation:		
i.	Kabiru Rabiu– Non-Executive Director		
ii.	Chimaobi Madukwe – Non-Executive Director		
iii.	Ganiat Adetutu Siyonbola – Independent Non-Executive Director		
4	To authorize the Directors to fix the remuneration of the Auditors for the 2026 Financial Year. (₦215,000,000) VAT exclusive.		
5.	To elect members of the Audit Committee.		
6.	To disclose the remuneration of the managers of the Company.		
SPECIALBUSINESS			
7.	To approve the remuneration of the Directors as follows: a. To approve the sum of ₦23,660,000 as the Chairman's fee per annum. b. To approve the sum of ₦16,562,000 as the Non-Executive Directors' fee per annum. c. To approve the sum of ₦18,928,000 as the Independent Non-Executive Directors' fee per annum.		
8.	To consider and pass this resolution as an ordinary resolution: *That, pursuant to Rule 20.8(a) of the Nigerian Exchange issuers Rules, the general mandate granted to the Company to procure goods and services and enter into such incidental transactions necessary for its day-to-day operations from its related parties or interested persons on normal commercial terms, be and is hereby renewed.*		

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.

SEE NEXT PAGE

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BUA CEMENT PLC RC 1193879
BUA Towers, PC 32, Churchgate Street, P. O. Box 70106, Victoria Island, Lagos

Proxy Form

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, CON, 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 blank space provided. This person may be a member of the Company or any other individual who will attend the meeting and vote on your behalf.
4. For the proxy form to be considered valid and effective for the purpose of this meeting, it must be duly stamped in accordance with the provisions of the Stamp Duties Act, Cap S8, Laws of the Federal Republic of Nigeria, 2004.
5. Proxy holders are required to present the admission card that is attached to this form upon arrival at the meeting venue. This card will provide the required access to the meeting.

REGISTRARS:

Africa Prudential Plc,
220b, Ikorodu Road,
Palmgrove,
Lagos.

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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

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BUA CEMENT
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SINOTRUK
GD-042
BUA CEMENT
4C-015

BUA Cement Plc RC1193879

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P.O.Box 70106, Victoria Island
Lagos, Nigeria.
T. 01 4610669-70

OBU PLANT

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Okpella, Edo State, Nigeria.

SOKOTO PLANT

KM 10, Kalambaina Road
P.M.B 02166, Sokoto
Sokoto State, Nigeria.

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