



BUA Cement Plc

Annual report and financial statements
for the year ended 31 December 2025

BUA Cement Plc

(RC 1193879)

Annual Report And Financial Statements for the year ended 31 December 2025

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Corporate Information

Company registration number	RC 1193879		
Board of Directors	Abdul Samad Rabiuf CFR, CON	Nigerian	Chairman
	Yusuf Haliru Binji	Nigerian	Managing Director/Chief Executive Officer
	Chikezie Ajaero	Nigerian	Chief Finance Officer/Executive Director
	Kabiru Rabiuf	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 Adetutu 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 Millenium Towers 13/14 Ligali Ayorinde Street Victoria Island Lagos		
Principal Bankers	Access Bank Plc Coronation Merchant Bank Limited Eco Bank Limited FBNQuest Merchant Bank Limited Fidelity Bank Plc First Bank Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Limited Keystone Bank Limited Nova Merchant Bank Limited	Polaris Bank Limited Providus Bank Limited Stanbic IBTC Bank Limited Standard Chartered Bank Nigeria Limited Sterling Bank Plc Taj Bank Limited Union Bank Limited United Bank for Africa Limited Zenith Bank Plc	

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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 31 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 ₦6.05 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 31 December 2025 are presented on page 32 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:

	31 December 2025 ₦ '000	31 December 2024 ₦ '000
Revenue from contracts with customers	1,179,444,900	876,469,849
Profit before tax	465,276,220	99,630,184
Income tax expense	(109,237,945)	(25,720,949)
Profit after tax	356,038,275	73,909,235

4. Dividend Declaration

The Board of Directors recommends, for shareholders' approval, the declaration of a dividend of ₦10.00k dividend per one (1) ordinary share of 50 Kobo each, out of the profits declared in the financial year ended 31 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 ₦547,872,157.15 (Five Hundred and Forty-Seven Million, Eight Hundred and Seventy-Two Thousand, One Hundred and Fifty-Seven Naira, Fifteen 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.

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Report of the Directors

6. Directors and Directors' Interests (continued)

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:

		31 December 2025	31 December 2024
		Number of Shares held	Number of Shares held
Direct holding	Representing		
Abdul Samad Rabiu CFR, CON		18,974,995,225	18,974,995,225
Yusuf Haliru Binji		1,217,883	827,093
Chimaobi Madukwe		845,450	845,450
Kabiru Rabiu		820,000	820,000
Finn Arnoldsen		820,000	820,000
Shehu Abubakar		1,000,000	1,000,000
Chikezie Dickson Ajaero		450,000	-
Jacques Piekarski (Resigned)		-	820,000
Ganiat Adetutu Siyonbola		31,000	3,000
Indirect holding			
Abdul Samad Rabiu CFR, OON	Damnaz Cement Company Limited	637,403,152	637,403,152
	BUA Industries Limited	13,462,681,069	13,462,681,069
	BUA International Limited	8,137,766	8,137,766
Total		33,088,401,545	33,088,352,755

The Directors have complied with the provisions of Section 277 of the Companies and Allied Matters Act at the date of this report.

As at the reporting date, the Board consists of 7 non-executive Directors and 2 executive Director. The Board considers its Directors as independent for the purpose of their contributions to the invaluable integrity, corporate wisdom and experience towards the Board and committees' deliberations and decisions. The Board is therefore satisfied with the performance and continued independence of judgment of each of the Directors.

7. Statistical Analysis of the Shareholding as at 31 December 2025

Range Analysis as at 31st December 2025						
Category	Number of Holders	Holder %	Holders Cumulative	Units	Units %	Units Cumulative
1-1000	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	0.07 %	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	100.00 %		33,864,354,060	100.00 %	

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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	No. of shares held	% of shareholding
Abdul Samad Rabi CFR, CON	18,974,999,225	56.03 %
BUA Industries Limited	13,462,681,069	39.75 %
Total	32,437,680,294	95.78 %

Shareholding Structure as at 31st 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 %
		64,356	33,864,354,060	100.00 %

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

Information relating to changes in property, plant and equipment during the year are shown in Note 15. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

10. Charitable 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	₦ '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

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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

11. Acquisition of Own Shares

The Company did not purchase any of its own shares during the financial year under review (2024:Nil).

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	
		Percentage (In relation to Issued Share Capital)	
	Description	Units	
	Issued Share Capital	33,864,354,060	100
	Details of Substantial Shareholdings (5% and above)		
	Abdul Samad Rabiu CFR, CON	18,974,995,225	56.03
	BUA Industries Limited	13,462,681,069	39.75
	Total Substantial Shareholdings	32,437,676,294	95.78
	Directors' Shareholdings (direct and indirect)		
	Abdul Samad Rabiu CFR, CON - Indirect (Damnaz Cement Company Limited)	637,403,152	1.88
	Yusuf Haliru Binji- Direct	1,217,383	-
	Chikezie Dickson Ajaero	450,000	-
	Kabiru Rabiu- Direct	820,000	-
	Kenneth Chimaobi Madukwe - Direct	845,450	-
	Finn Arnoldsen- Direct	820,000	-
	Shehu Abubakar- Direct	1,000,000	-
	Ganiat Adetutu Siyonbola	31,000	-
	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
	Free Float in Value (₦)	139,960,204,409	-

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Report of the Directors

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.

iv Employee Involvement and Training

The Company recognizes that its employees are its most valuable assets and that their development is integral to corporate success. Accordingly, continuous training and learning are prioritized 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.

At the Board level, Directors participated in various training programmes during the year, including leadership development, Board oversight, strategic planning and compliance, to enhance governance effectiveness.

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 the Reporting Period

No events have occurred after the reporting date that have or could reasonably be expected to materially affect the Company's financial position, performance, or disclosures for the year ended 31st 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 26 Feb 2026 for issue.

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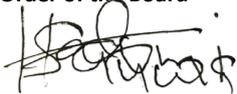
Report of the Directors

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 authorizing the Directors to determine their remuneration.

By Order of the Board



Hauwa Satomi (Mrs)
Company Secretary
FRC/2022/PRO/NBA/002/00000023786
BUA Cement Plc
Lagos Nigeria

26 February 2026

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Corporate Governance Report

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 shareholders 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 Limited, 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 sustainability. 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 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 (9) 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 (4) Non-Executive Directors, three (3) Independent Non-Executive Directors, and two (2) 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.

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Corporate Governance Report

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 exercised 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 Board-approved policies.

Each Executive Director is issued a formal contract of employment 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 are provided with comprehensive information on Board and Management matters and have unrestricted access to Executive Directors, the Company Secretary, and members of the Management team.

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 detailed in their letters of appointment. Their independence is confirmed annually through conflict-of-interest declarations and review by the Governance, Establishment, and Remuneration Committee.

Independent Non-Executive Directors are entitled only to Directors' fees. 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.

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Corporate Governance Report

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.

The Board

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.

In May 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 focus on 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.

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Corporate Governance Report

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

Name of Director	Designation	Date of meeting and attendance				
		27/02/2025	24/04/2025	25/07/2025	27/10/2025	11/12/2025
Abdul Samad Rabi, CFR,CON	Chairman	P	P	P	P	P
Yusuf Haliru Binji	MD/CEO	P	P	P	P	P
Chimaobi Madukwe	NED	P	P	P	P	P
Kabiru Rabi	NED	P	P	P	P	P
Finn Arnoldsen	NED	P	P	P	P	P
Khairat Abdulrazaq 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 Adetutu Siyonbola	INED	P	P	P	P	P

Note: P = Present A= Absent

Board Committees

In addition to the Statutory Audit Committee, the Board discharges its oversight responsibilities through four (4) 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:

Names	Designation	Date of meeting and attendance				
		25/02/2025	22/04/2025	23/07/2025	23/10/2025	9/12/2025
Kabiru Rabi	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 Haliru Binji	Member MD/CEO	P	P	P	P	P
Chikezie Ajaero	Member (ED/CFO)	P	P	P	P	P

Note: P = Present A = Absent

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Corporate Governance Report

(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 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 recommendations from Management.

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:

Names	Designation	Date of meeting and attendance				
		26/02/2025	24/04/2025	24/07/2025	22/10/2025	10/12/2025
Khairat Abdulrazaq 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.

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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:

Names	Date of meeting and attendance				
	Designation	26/02/2025	23/04/2025	24/07/2025	22/10/2025
Finn Arnoldsen	Chairman(NED)	P	P	P	P
Khairat AbdulrazaqGwadabe	Member (INED)	P	P	P	P
Shehu Abubakar	Member (INED)	P	P	P	P
Yusuf Binji	Member (MD)	P	P	P	P
Chikezie Ajaero	Member(ED/CFO)	P	P	P	P

Note: P = Present

(d) 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 (3) shareholders and two (2) 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 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:

Names	Date of meeting and attendance					
	Designation	25/02/2025	22/04/2025	21/07/2025	23/10/2025	9/12/2025
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 Adetutu Siyonbola	Member (INED)	P	P	P	P	P

Note: P = Present

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(e) 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 (2) Non-Executive Directors and three (3) 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 for ensuring 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:

Names	Date of meeting and attendance			
	Designation	25/02/2025	23/07/2025	22/10/2025
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 (INED)	P	P	P
Ganiat Adetutu Siyonbola	Member (INED)	P	P	P

Note: P = Present

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/M 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.

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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 Director

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 optimization.

In line with the Directors' Training Policy and Directors' 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 unauthorized 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 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.

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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 Company 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 Evaluation Policy

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 for continuous 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. 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 Policy

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 entity 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.

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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 <https://www.buacement.com/documents/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) by the regulatory deadline of 31st March 2026, in fulfilment of statutory obligations and in support of robust data governance practices.

Related Party Transactions

The details of the transactions of the Company with its related parties during the review period are outlined in note 30(b) 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.

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Review of Governance Policies and Charters

As part of its commitment to continuous improvement in corporate governance, the Company commenced a review of its 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.

By Order of the Board of Directors



Hauwa Satomi (Mrs)
Company Secretary/Chief Legal Officer
FRC No: FRC/2022/NBA/002/00000023786
BUA Cement Plc
Lagos Nigeria
8 February 2026

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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 and the Board. The Committee performs its functions on behalf of BUA Cement Plc.

Audit Committee Terms of Reference

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

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

The Audit Committee meets at least four times per 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	21/07/2025	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 Adetutu Siyonbola	P	P	P	P	P

Note: P = Present

Roles and Responsibilities

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

Statutory duties

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

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

External Auditor Appointment and Independence

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

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

Financial statements and Accounting Practices

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

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Report of the Audit Committee

Internal financial controls

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

Duties Assigned by the Board

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

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

- We have ascertained and hereby confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- The scope and planning of audit requirements for the year ended 31 December 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

Dated this: 24th day of 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 Adetutu Siyonbola	-	Member - Director

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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 requirement 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, CFR, CON
Chairman
FRC/2014/IODN/00000010111

26 February 2026



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

26 February 2026



Yusuf H. Binji
Managing Director
FRC/2013/NSE/0000001746

26 February 2026

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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 amaintaining 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 weakness.

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 Haliru Binji
Chief Executive Officer

26 February 2026



Chikezie Ajaero
Chief Financial Officer

26 February 2026

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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 Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii) BUA Cement Plc's Management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.

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

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



Yusuf Haliru Binji
Managing Director
FRC/2013/NSE/0000001746



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

26 February 2026

26 February 2026

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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 Haliru Binji
Managing Director
FRC/2013/NSE/0000001746

26 February 2026

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Management's Certification on Internal Control over Financial Reporting

I, Chikezie Ajaero, certify that:

- g) I have reviewed the report of management on the internal control system of BUA Cement Plc;
- h) 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;
- i) 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;
- j) 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.
- k) 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.
- l) 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 Finance Officer
FRC/2014/ICAN/00000010408

26 February 2026



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

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Lagos, Nigeria



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



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.

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/004/0000005161



27 February 2026



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.

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Lagos, Nigeria



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.

A handwritten signature in black ink that reads 'Yinka Yusuf'. The signature is written in a cursive, flowing style.

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

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



27 February 2026

BUA Cement Plc

(RC 1193879)

Annual Report And Financial Statements for the year ended 31 December 2025

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 ₦'000	2024 ₦'000
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	(27,826,062)	(22,061,895)
Operating profit		504,554,420	144,304,123
Finance income	12a	17,010,577	18,190,652
Finance costs	12b	(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 to profit or loss:			
Re-measurement of defined benefit obligations (net of tax)	14(b)(ii)	(2,264,938)	(2,856,442)
Other comprehensive loss for the year net of taxation		(2,264,938)	(2,856,442)
Total comprehensive income for the year		353,773,337	71,052,793
Earnings per share			
Per share information			
Basic and diluted (Naira)	28	10.51	2.18

The notes on pages 37 to 82 are an integral part of the financial statements.

BUA Cement Plc

(RC 1193879)

Annual Report And Financial Statements for the year ended 31 December 2025

Statement of Financial Position as at 31 December 2025

	Note(s)	2025 ₦'000	2024 ₦'000
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	31(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 reserves		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 37 to 82, are an integral part of these financial statements.

The financial statements and the notes on pages 32 to 82, were approved and authorised for issue by the Board of Directors on the 27 February 2026 and were signed on its behalf by:

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

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

Yusuf Haliru Binji
Managing Director/CEO
FRC/2013/NSE/00000001746

BUA Cement Plc

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Annual Report And Financial Statements for the year ended 31 December 2025

Statement of Changes in Equity

	Share capital	Defined benefit plan reserve	Reorganisation reserve	Retained Earnings	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000
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
Dividends 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
Dividends declared and paid to BUA Cement Plc's shareholders	-	-	-	(69,421,926)	(69,421,926)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(69,421,926)	(69,421,926)
Balance at 31 December 2025	16,932,177	(6,352,199)	200,004,179	462,315,489	672,899,646

The notes on pages 37 to 82 form an integral part of the financial statements.

BUA Cement Plc

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Annual Report And Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

	Note(s)	2025 ₦'000	2024 ₦'000
Cash flows from operating activities			
Profit before taxation		465,276,220	99,630,184
Adjustments 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)

BUA Cement Plc

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Annual Report And Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

	Note(s)	2025 ₹'000	2024 ₹'000
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			
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 37 to 82 form an integral part of the financial statements.

BUA Cement Plc

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Annual Report And Financial Statements for the year ended 31 December 2025

Notes to the Annual Report And 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 on 9 January 2020. BUA Cement Plc is ultimately owned by Alhaji Abdulsamad Rabiu CFR, CON.

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

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

2. Summary of Material 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.

BUA Cement Plc

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Annual Report And Financial Statements for the year ended 31 December 2025

Notes to the Annual Report And Financial Statements

2.1 Basis of preparation (continued)

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.

(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 the 31 December 2025 reporting period 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:

(a) 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;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

(d) 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:

(a) clarify the application of the ‘own-use’ criteria to nature-dependent electricity contracts;

(b) permit hedge accounting if these contracts are used as hedging instruments; and

(c) 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.

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Annual Report And Financial Statements for the year ended 31 December 2025

Notes to the Annual Report And Financial Statements

2.1 Basis of preparation (continued)

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.

(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 recognized, 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.

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2.1 Basis of preparation (continued)

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.

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.

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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:

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.

Item	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 effort 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.

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2.4 Intangible assets

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

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

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

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

Licences

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

Software

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

Exploration assets

Exploration 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 amortization 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.

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2.4 Intangible assets (continued)

Item	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.

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 cash flows 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.

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2.6 Financial instruments (continued)

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.

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.

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2.6 Financial instruments (continued)

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.

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 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.

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2.6 Financial instruments (continued)

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 realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

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.

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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, deposit 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 activities.

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 capitalized 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 forestry reclamation approach after mining activities. The disturbed mining areas are to be back filled, 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 finance cost in profit or loss.

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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 payment 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..

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2.13 Revenue recognition (continued)

Disaggregation of revenue from contract 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 includes 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.

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.

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2.17 Current and deferred income tax (continued)

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 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).

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2.20 Finance cost

Finance cost comprises interest expenses on borrowings, exchange differences on borrowings, debt security issued, lease liability, defined benefit obligation, overdraft and 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 reserve 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 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 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.

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2.24 Leases (continued)

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

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

(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 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 grants

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.

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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.

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

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

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables (excluding prepayments), trade and other payables (excluding government 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.

Foreign currency denominated balances	31 December	31 December	31 December	31 December
	2025	2025	2024	2024
	USD	EUR	USD	EUR
	₦'000	₦'000	₦'000	₦'000
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

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3. Financial instruments and risk management (continued)

Effect of 15% increase in exchange rate (2024: 15%)	(59,441,037)	109,720	106,766,901	96,941
Effect of 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: 20%)	(198,136,790)	365,733	(355,889,672)	323,136
Effect of 50% increase in exchange rate (2024: 20%)	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.

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

	Average Interest Rate	31 December 2025 ₦'000	31 December 2024 ₦'000
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
		<u>447,620,380</u>	<u>461,748,079</u>

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;

Effect of 5% increase in interest rate (2024: 5%)	(22,387,866)	(23,087,404)
Effect of 5% decrease in interest rate (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.

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3. Financial instruments and risk management (continued)

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

Impairment of financial assets

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

- Trade receivables and;
- Cash and cash equivalents.

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

i. Trade receivables

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

The expected loss rates as at 31 December 2025 are as follows:

Age of trade receivables	0 - 30 days N'000	31-90 days N'000	91-180 days N'000	181-365 days N'000	Over 365 days N'000	Total N'000
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:

Age of trade receivables	0 - 30 days N'000	31-90 days N'000	91-180 days N'000	181-365 days N'000	Over 365 days N'000	Total N'000
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:

	31 December 2025 N'000	31 December 2024 N'000
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

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3. Financial instruments and risk management (continued)

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.

At 31 December 2025	Less than 6	6-12	Over 12	Total
Financial liabilities:	months	months	months	Total
	₦'000	₦'000	₦'000	₦'000
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

At 31 December 2024	Less than 6	6-12	Over 12	Total
Financial liabilities:	months	months	months	Total
	₦'000	₦'000	₦'000	₦'000
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.

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3. Financial instruments and risk management (continued)

	At 31 December 2025		At 31 December 2024	
	Amortised cost N'000	Fair value N'000	Amortised cost N'000	Fair value N'000
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 (N54.69 billion) and current portions of long term borrowings (N101.6 billion).

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

3.3. Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders, as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

The Company monitors capital using the gearing ratio. This is determined as the proportion of net debt to equity. No formal debt/equity target has been established.

The gearing ratios at year end is as follows:

		2025 N'000	2024 N'000
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.

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.

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4. Critical accounting estimates, 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.

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.

	31 December 2025 ₹ '000	31 December 2024 ₹ '000
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 capitalization rate to the expenditures for property, plant and equipment to determine the amount of borrowing costs to be capitalized 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.

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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 realizable 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.

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:

Revenue from contracts with customers

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

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:

Contract liabilities	105,812,462	113,936,226
	105,812,462	113,936,226

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

Balance as at 1 January	113,936,226	105,115,874
Payments received in advance on 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)
Refunds, taxes and other transfers	(128,132,020)	(76,787,291)
	105,812,462	113,936,226

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	2025 ₦'000	2024 ₦'000
6. Cost of sales		
* 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.

7(a). Administrative expenses

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

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	2025	2024
	₦'000	₦'000

7. Administrative expenses (continued)

*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

7(b) Foreign exchange loss - net

	31 December 2025	31 December 2024
	₦ '000	₦ '000
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.

8. Distribution and selling expenses

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.

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	2025 ₦'000	2024 ₦'000
9. Staff costs		
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		
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		
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
10. Impairment (writeback)/loss on financial assets		
Operating profit for the year is stated after (crediting)/charging the following, amongst others:		
Impairment (writeback)/loss on trade receivables	(188)	311
11. Other income		
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		
Interest Income	17,010,577	18,190,652
Total interest income	17,010,577	18,190,652

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12(b) Finance costs		
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.

Interest expense has been calculated using the effective interest rate except interest expense on 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		
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 liabilities.

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

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	2025 ₦'000	2024 ₦'000
13. Taxation (continued)		
(b) Current income tax liabilities		
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:

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

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.

	Property, plant and equipment ₦'000	Unrealised exchange difference ₦'000	Provisions and others* ₦'000	Total ₦'000
At 1 January 2025	(103,813,788)	57,881,080	(2,041,066)	(47,973,774)
Credit to other comprehensive income (Charged)/credited to profit or loss	-	-	(83,146)	(83,146)
	(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 (Charged)/credited to profit or loss	-	-	146,980	146,980
	(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)

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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 Administrators on behalf of the beneficiary staff, in line with the provisions of the Pension Reform Act.

Consequently, the Company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

As at 31 December 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:

- Recognises the service rendered to the Company by each member of staff at the reporting date;
- Anticipates that salaries will increase between the review date and the eventual exit date of the employee via withdrawal, death or retirement and then;
- Discounts the expected benefit payment to the reporting date.

i) Valuation assumptions

The valuation assumptions fall under two broad categories:

- Financial assumptions
- Demographic assumptions

i) 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 plan's bond holdings.
Inflation risks	The Company's pension obligations is 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 plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

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14. Employee benefit obligations (continued)

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).

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.

ii. Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths in year of age out of 10,000 lives	
	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 %

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14. Employee benefit obligations (continued)

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:

	31 December 2025 N'000	31 December 2024 N'000
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:		
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

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

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:

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	83,142	(146,980)
Amount recognised in OCI (net of tax)	2,264,938	2,856,442

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
	9,163,468	7,134,372

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	2025	2024	
	₦'000	₦'000	
14. Employee benefit obligations (continued)			
iii) Sensitivity analysis on employee benefit			
Accrued liabilities			
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

The above sensitivity analyses 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	N'000
2025	611,448
2026	513,901
2027	553,653
2028	923,631
2029	1,155,920
2030-2034	7,419,697

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15. Property, plant and equipment

	Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and fixtures N'000	Motor vehicles N'000	Quarry Equipment N'000	Tools, computers, Laboratory and office equipment N'000	Trucks N'000	Construction Work in Progress N'000	Total N'000
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
Depreciation and impairment										
At 1 January 2024	-	(7,999,049)	(81,691,878)	(551,876)	(2,008,277)	(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

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

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15. Property, plant and equipment (continued)		
There was no transfer from capital work-in-progress to other asset classes in the period (2024: ₦547billion).		
In 2024, there was a reclassification of ₦10.5billion 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 ₦83.60b, and disposals of ₦45.96million.		
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 ₦3.9billion (2024: ₦1.8 billion).		
(b) The depreciation charged for the year is apportioned as follows:		
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:		
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:		
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

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	2025 ₹'000	2024 ₹'000
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:		
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
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) 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:		
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

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17. Intangible assets

	Exploration asset N'000	Mineral rights N'000	Licenses and franchises N'000	Computer software N'000	Total N'000
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

The amortisation charged for the year is apportioned as follows:

	31 December 2025 N'000	31 December 2024 N'000
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.

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	2025 ₦'000	2024 ₦'000
18. Inventories		
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:

Cash on hand	21,951	14,510
Bank balances	135,412,228	39,137,821
Short-term deposits	144,945,789	45,596,919
	280,379,968	84,749,250

Short term deposits relate to 90 days fixed investments with commercial banks.

20. Trade and other receivables

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

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:

Opening balance as at 1 January	381	70
(Reversals)/Impairment during the year	(188)	311
Closing balance as at 31 December	193	381

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	2025 ₦'000	2024 ₦'000
21. Prepayments and other assets		
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) 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:

Accrual, provision and other liabilities	279,117	279,379
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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:

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.

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.

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	2025 ₦'000	2024 ₦'000
23(a) The table below shows the movement in the decommissioning liabilities:		
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

(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

Bank loan	469,376,029	493,138,713
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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:

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:

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24. Bank Borrowings (continued)

	Average Interest Rate	Maturity	2025 ₦'000	2024 ₦'000
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 yLimited

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 N636 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%.

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	2025 ₦'000	2024 ₦'000
25. Debt security issued		
Debt securities at amortized 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

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

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)

Government grants	1,463,930	2,104,800
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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:

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.

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	2025 ₦'000	2024 ₦'000
27. Share capital		
(a) Authorised		
33,864,354,060 Ordinary shares of 50K per share.	16,932,177	16,932,177
	16,932,177	16,932,177
(b) Issued and fully paid		
Balance as at 1 January and 31 December	16,932,177	16,932,177
- 33,864,354,000 ordinary shares @ 50 kobo per share		
	16,932,177	16,932,177
28. Earnings per share		
Basic earnings per share (EPS)		
Reconciliation of profit for the year to basic earnings		
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		
Basic earnings	356,038,275	73,909,232
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		
Weighted average number of ordinary shares used for basic earnings per share	33,864,354	33,864,354
Adjusted for:		
Earnings per share		
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		
Dividends	(69,421,926)	(67,728,708)
Dividends are from capital profits.		
30. Particulars of Directors and staff		
(a) Particulars of staff		
The average number of persons, excluding Directors, employed by the Company during the year was as follows:		
	31 December 2025 Number	31 December 2024 Number
Management	14	17
Production	1,112	1,103
Administration	433	498
	1,559	1,618

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29(b) Particulars of staff (continued)

The table below shows the number of employees (excluding Directors) of the Company in receipt of emoluments, including allowances and pension costs within the following bands during the year.

	31 December 2025 Number	31 December 2024 Number
N100,000 - N500,000	-	-
N500,001 - N1,000,000	14	92
N1,000,001 - N2,000,000	191	167
N2,000,001 - N3,000,000	352	324
N3,000,001 - N4,000,000	104	165
N4,000,001 - N5,000,000	63	56
N5,000,001 - N10,000,000	316	624
N10,000,001 - N15,000,000	412	112
N15,000,001 - N20,000,000	52	36
N20,000,001 - N25,000,000	22	8
N25,000,001 - N30,000,000	5	16
N30,000,001 - N35,000,000	8	-
N35,000,001 - N40,000,000	6	4
N40,000,001 - N45,000,000	1	1
N45,000,001 - N50,000,000	3	2
N50,000,001 - N55,000,000	-	-
N55,000,001 - N60,000,000	1	1
N60,000,001 - N70,000,000	2	2
Above >N70,000,000	7	8
	1,559	1,618

(c) Particulars of Directors

Directors' emoluments

The remuneration paid to the Directors of the Company was:

	31 December 2025 ₦ '000	31 December 2024 ₦ '000
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 Number	31 December 2024 Number
N1,000,000 - N15,000,000	-	-
N15,000,001 - N65,000,000	-	7
N65,000,001 - N400,000,000	9	2
	9	9

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	2025 ₦'000	2024 ₦'000
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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:

(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

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)

		31 December 2025 ₦ '000	31 December 2024 ₦ '000
i Due from related parties	Relationship		
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

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

Gross carrying amount-due from related parties	50,411,030	22,771,443
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(d) Changes in due from related parties in the statement of cash flows is as follows:

Movement in due from related parties	(27,639,587)	(19,466,705)
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(e) Changes in due to related parties in the statement of cash flows is as follows:

Movement in due to related parties	-	(51,118,269)
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*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.

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2025	2024
₦'000	₦'000

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.

(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 crystallizing 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 Okuokpellege 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 crystallizing 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.

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	2025	2024
	₦'000	₦'000

32. Contingent liabilities (continued)

(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.

(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:

- Company income tax charge – No impact,
- Development levy – increase by ₦2.87 billion, and
- 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:

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.

Other National Disclosures

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Statement of Value added

	2025 ₹'000	2025 %	2024 ₹'000	2024 %
Value Added				
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.

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Five Year Financial Summary

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Statement of Financial Position					
Assets					
Non-current assets	1,193,210,079	1,195,915,328	816,440,179	676,241,399	584,308,003
Current assets	618,429,331	374,436,537	399,246,198	149,723,838	144,199,470
Total assets	1,811,639,410	1,570,351,865	1,215,686,377	825,965,237	728,507,473
Liabilities					
Non-current liabilities	405,238,952	607,249,101	453,533,128	205,338,186	185,035,606
Current liabilities	624,262,868	574,554,529	376,929,099	257,561,156	145,355,119
Total liabilities	1,029,501,820	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	16,932,178	16,932,177
Reserves	193,651,980	195,916,918	198,773,359	199,296,310	181,920,749
Retained income	571,553,433	175,699,140	169,518,614	194,884,054	199,263,822
Total equity	782,137,590	388,548,235	385,224,150	411,112,542	398,116,748
Total equity and liabilities	1,811,639,410	1,570,351,865	1,215,686,377	874,011,884	728,507,473
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	1,179,444,900	876,469,849	459,998,998	360,989,105	257,327,091
Cost of sales	(575,263,098)	(576,203,322)	(276,014,535)	(198,285,800)	(136,390,231)
Gross profit	604,181,802	300,266,527	183,984,463	162,703,305	120,936,860
Other operating income	1,504,754	1,063,756	2,062,334	2,646,199	2,633,076
Other operating gains (losses)	(9,696,264)	(92,105,319)	(69,956,046)	(5,500,464)	-
Other operating expenses	(91,435,872)	(64,920,839)	(41,383,917)	(29,252,402)	(19,345,294)
Operating profit	504,554,420	144,304,125	74,706,834	130,596,638	104,224,642
Investment Income	17,010,577	18,190,652	12,882,124	1,747,166	620,604
Finance costs	(56,288,777)	(60,051,583)	(19,946,490)	(10,562,965)	(1,705,833)
Minimum tax charge	-	(2,813,008)	-	-	-
Profit before taxation	465,276,220	99,630,186	67,642,468	121,780,839	103,139,413
Taxation	(109,237,945)	(25,720,949)	1,812,276	(18,924,334)	(13,060,402)
Profit from discontinued operations	356,038,275	73,909,237	69,454,744	102,856,505	90,079,011
Profit for the year	356,038,275	73,909,237	69,454,744	102,856,505	90,079,011
Retained income for the year	356,038,275	73,909,237	69,454,744	102,856,505	90,079,011