LAFARGE

NIGERIA

# LAFARGE AFRICA PLC
## 2022 ANNUAL REPORT & ACCOUNTS

Expanding Possibilities,
**Building the Future.**

A MEMBER OF HOLCIM

# THE FUTURE ISN'T WRITTEN IT'S BUILT.

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# CORPORATE PROFILE

Lafarge Africa Mfamosing Plant, Cross River State.

Lafarge Africa Plc is a member of Holcim - the global leader in innovative and sustainable building solutions. Lafarge Africa is a publicly quoted company on the Premium Board of the Nigerian Exchange Limited and serves Nigeria with a wide range of building and construction solutions. Lafarge Africa is accelerating green growth to become the global leader in innovative and sustainable building solutions and is at the forefront of decarbonizing building across its lifecycle, in line with Holcim's purpose of Building Progress for People and the Planet.

With four plants in Nigeria spread across Sagamu and Ewekoro, Ogun State (South-West), Ashaka, Gombe State (North-East) and Mfamosing, Cross River State (South-South), Lafarge Africa Plc currently has an installed cement production capacity of 10.5 million tons per annum.

## CEMENT OPERATIONS

### South-West Operations

We have two plants located in Sagamu and Ewekoro, both in Ogun State, with a combined production capacity of 4.5 million metric ton per annum (MTPA). The Geocycle and Mortar plants are also located in the South-West.

Our product portfolio includes five brands - Elephant Cement, a general purpose cement and multi-use product suitable for majority of the applications: Supaset, a fast-setting and rapid strength gaining cement specifically designed for the needs of the block-makers; Powermax, a high strength cement for the sophisticated contractor segment; Etex, a high performance cement designed to specification for the manufacturing of roof tile; and SRC, a sulphate resistant cement for coastal construction.

### Northern Nigeria Operations

In the last four decades, Ashaka Cement plant located in Gombe State has contributed immensely to the economic growth and development of North-Eastern Nigeria and is well positioned to continue to impact the ecosystem of the region.

Ashaka Cement was incorporated in August 1974 and commenced production in 1979 as a cement manufacturing and marketing company under the name Ashaka Cement Plc. The company was founded by the defunct Nigerian Industrial Development Bank (NIDB) Limited, the Nigerian Bank for Commerce and Industry (NBCI), Northern Nigeria Investment Limited (NNIL) and the government of the then North-Eastern State (now Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States). The current annual installed cement production capacity of the plant is 1 MTPA.

AshakaCem was fully integrated into Holcim Group in July 2002 after the acquisition of Blue Circle Industries, UK, and subsequently in 2018, AshakaCem became a subsidiary of Lafarge Africa Plc.

Ashaka Cement produces the 32.5 (a multi-purpose product) and 42.5 (a high strength cement for the sophisticated contractor) types of cement which stand out for consistent high quality.

### South-East Operations

Our cement plant for the South-Eastern operations is located in Mfamosing, Cross River State. The Mfamosing plant is a modern facility with an annual cement production capacity of 5MTPA. It was originally established in 2002 as United Cement Company Nigeria (UNICEM) Limited, after the acquisition of the assets of moribund Calabar Cement Company (CalCemCo).

In 2012, the plant's product portfolio was expanded to offer customers two cement products catering for general purpose and specialized applications. An additional manufacturing line with a production capacity of 2.5MTPA was commissioned in 2016 to bring the total production capacity of the plant to 5MTPA and is now the single largest cement production site for Lafarge Africa.

## MORTAR OPERATIONS

The Mortar Operations started in 2019 with the establishment of a new plant in Sagamu. With the commencement of Mortar Operations, it was important to develop unique products, that meet customers' needs, an effective route to market and a business model that will ensure business growth.

The business operation is structured around an effective organization, certified by the Standards Organization of Nigeria (SON), an agile day-to-day operations and partnerships with associations that manage the development of Artisans and Tilers in Nigeria. The business operation currently leverages the Cement division's effective route to market network, which ensures adequate market reach.

Two new products were developed and launched in 2022 to ensure that we have a full range of high quality mortar products. The products are TectorPlast I (ready to use plastering mortar) and Tector Plast II (water proof mortar ready to use). With these two new products, the Mortar Division now has products for floor screed, floor tiling, wall screed and wall tiling. Our wall tiling products have the capability to support heavy wall tiles including marble tiles.

## READYMIX CONCRETE OPERATIONS

Lafarge Africa (Readymix Operations) is a pioneer and leading player in Commercial Readymix Concrete Operations in Nigeria. The Readymix operations currently has installed annual capacity of over 400,000 cubic meters and a network of commercial batching plants in the main geographical hubs of Lagos State (Oregun, Victoria Island and Lekki), Ogun State (Ewekoro), Port Harcourt (Trans-Amadi) and Abuja (Idu) - comprising of six (6) Readymix Concrete Plants and a Central Laboratory in Lagos.

The Readymix Operations has in place a team of well trained and professional staff across all its operating sites. All aspects of its operations are guided strictly by the Holcim Quality Management System, which ensures a high level of consistency of product quality with Technical support from Holcim Research Centre (LCR) in Lyon, France.

Readymix offers a wide range of concrete products that are designed to address diverse strength specifications and durability requirements in line with project-specific needs or site related challenges. Our quality standards conform with the European Standard (EN206). Our Standard Concrete offering for normal applications is in strengths of 10MPa to 50MPa with guaranteed cubic strength at 28 days.

# CORPORATE PROFILE

Through our Value Added Product (VAPs), we offer the opportunity to work with clients/contractors in developing the right concrete solution to address durability, aesthetics and timing requirements at different project stages. Examples of our VAPs are Fast Strip, Ultra Delay, Ultra Early, Low Heat, Water proofing, Self-Compacting, Ultra Fiber, Shotcrete and Lightweight Concretes. Others are Standard Screed, Piling Concrete for Continuous Flight Auger (CFA), Bore Piles and Sulphate Resistant Concrete Solution for marine environments.

Lafarge Readymix also provides Mobile Plant Services which can be set up within short lead time to support projects in remote and logistically challenging sites, anywhere in Nigeria.

## GEOCYCLE

*A pathway to Sustainable Circular Economy and Decarbonization*

Geocycle offers services that are geared towards growing the circular economy by creating resource from waste that would have ordinarily ended in various dumpsites. Geocycle's mission is to drive creative innovation in the circular economy space with full transition to a zero-waste future. Various stakeholders desirous of having a sustainable and environmentally friendly solution to their waste challenges engaged Geocycle in 2022.

Our waste treatment and co-processing facilities prepare solid waste (biomass, tyre derivatives & industrial waste) into homogenous mix, prior to feeding it into cement kiln for complete destruction through co-processing that leaves no residue. Waste co-processed in our cement kilns increased by 37% and this led to 3.76% reduction in our $CO_2$ footprint in 2022.

The Holcim Group policy of driving decarbonization through provision of sustainable building solutions has, more than before, thrown in the front burner the need to co-process various types of waste in our cement kilns.  Our stakeholder local communities have continued to benefit from these sustained activities as they are at the fore front of making these biomass waste available, thereby creating much needed jobs and an environmentally friendly society.

# OUR CORE VALUES

## RESULTS

Through business insights and the quality of our decision making, we introduce new ways of looking at challenges in order to achieve excellent results while ensuring accountability.

## INTEGRITY

We operate a compliance focused organization and act with a clear sense of ownership.

## HEALTH AND SAFETY

Health and Safety is one of our core value. We believe in visible leadership and personal accountability for Health and Safety at all levels and throughout our organization.

## PEOPLE, OPENNESS AND INCLUSION

We truly care for and respect every individual. We place a high priority on developing our people and building effective teams.

## SUSTAINABILITY

We demonstrate leadership in environment stewardship while role modeling responsibility to future generations. We look towards the broadest possible views on any issue or challenge.

## CUSTOMERS

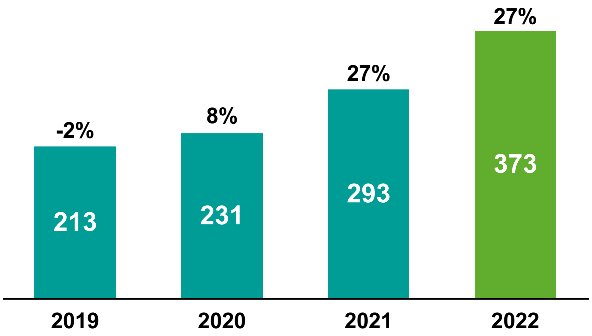
Our focus is to build and deliver solutions that meet customers expectations.

We encourage diverse thinking to promote and nurture innovation.

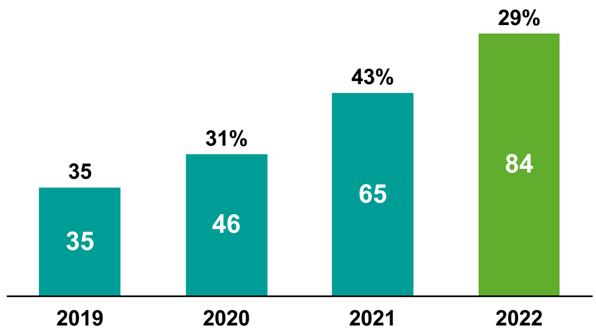
We collaborate with our customers to achieve shared objectives.

# FINANCIAL HIGHLIGHTS
for the year ended 31 December 2022

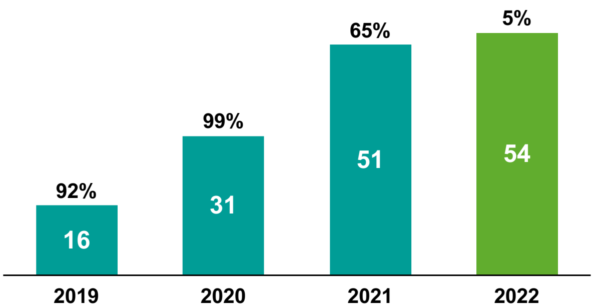
## NET SALES
**373.2BN** +27%



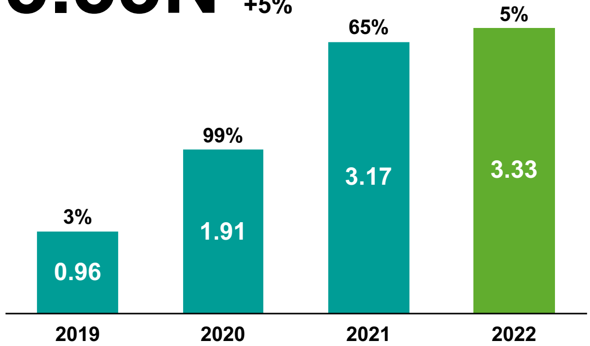

## OPERATING PROFIT
**84.2BN** +29%




## PROFIT AFTER TAXES
**53.7BN** +5%




## EARNINGS PER SHARE
**3.33₦** +5%




LAFARGE
CLICKIT
#OrderSmarter with
Clickit
LAFARGE
Supaset
Supafix
POWERMAX
UniCem
AshakaCem
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Google Play
A MEMBER OF
HOLCIM

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the 64th Annual General Meeting ("AGM") of Lafarge Africa PLC (the "Company") will hold at the Grand Banquet Hall, The Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos, on Friday, 28th April 2023 at 10am, to transact the following business:**

## ORDINARY BUSINESS

1. To lay before the shareholders the Audited Financial Statements for the year ended 31st December 2022 together with the Report of the Directors, Independent Auditors and Audit Committee thereon.

2. To declare a final dividend.

3. To elect and re-elect Directors:

a) To ratify the appointment of the following Directors:
   i. Mr. Kaspar Theiler (Non-Executive Director)
   ii. Ms. Sonal Shrivastava (Non-Executive Director)

b) To re-elect the following Directors, who being eligible, offer themselves for re-election:
   i. Mr. Gbenga Oyebode, MFR (Independent Non-Executive Director);
   ii. Mrs. Oyinkan Adewale, FCA (Independent Non-Executive Director); and
   iii. Mrs. Adenike Ogunlesi (Independent Non-Executive Director).

4. To appoint the firm of Ernst & Young as the Company's Independent Auditors.

5. To authorise the Directors to fix the remuneration of the Independent Auditors.

6. To elect members of the Audit Committee.

7. To disclose the remuneration of the Managers.

## SPECIAL BUSINESS

8. To fix the remuneration of the Directors.

9. To consider and pass this resolution as an ordinary resolution:

   'Pursuant to Rule 20.8 of The Nigerian Exchange Issuers Rule, that the general mandate given to the Company to enter into recurrent transactions with related parties or interested persons for the Company's day-to-day operations, including the procurement of goods and services and to enter into such incidental transactions on normal commercial terms, be and is hereby renewed'.

## NOTES:

### 1. PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Such appointed proxy does not have to be a member of the Company.

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purpose of this meeting and deposited at the office of the Registrar, CardinalStone Registrars Limited, 335/337 Herbert Macaulay Street, Sabo, Yaba, Lagos or by email to registrars@cardinalstone.com, not less than 48 hours before the time fixed for the meeting.

### 2. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer Books of the Company will be closed from Tuesday, 11th April 2023 to Friday, 14th April 2023 (both dates inclusive), to enable the Registrar to update its records.

### 3. DIVIDEND

If the final dividend recommended by the Directors is approved, dividend will be paid on Friday, 28th April 2023 to shareholders whose names are registered in the Register of Members as at the close of business on Thursday, 6th April 2023.

### 4. UNCLAIMED DIVIDEND

The list of unclaimed dividend will be circulated with the Annual Report and Accounts. The list of unclaimed dividend can also be accessed at the Registrar's office at No. 335/337 Herbert Macaulay Way, Sabo, Yaba, Lagos or via the Company's website: www.lafarge.com.ng

### 5. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend payment. Detachable application form for the e-dividend is attached to the Annual Report to enable all shareholders provide particulars of their bank accounts to the Registrar as soon as possible.

The e-dividend form is also available on the website of our Registrar: www.cardinalstoneregistrars.com.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## 6. NOMINATIONS FOR AUDIT COMMITTEE

In accordance with Section 404 (6) of the Companies and Allied Matters Act, 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

## 7. RIGHT TO ASK QUESTIONS

It is the right of shareholders to ask questions, not only at the Annual General Meeting, but also in writing prior to the meeting. Such questions should be addressed to the Company Secretary and submitted at the registered office of the Company not later than one week before the Annual General Meeting.

## 8. DIRECTORS' PROFILE

The profile of Directors for election and re-election can be accessed on the Company's website: www.lafarge.com.ng and is also included in the Annual Report.

## 9. ELECTRONIC ANNUAL REPORT

The electronic version of the Annual Report will be available online for viewing and download from our website: www.lafarge.com.ng. Shareholders who have provided their email addresses to the Registrars will also receive the electronic version of the Annual Report via email. Furthermore, any shareholder who has not received the electronic version of the Annual Report should request via email to registrars@cardinalstone.com.

## 10. LIVE STREAMING

The Annual General Meeting will be streamed live. This will enable Shareholders and other relevant Stakeholders to watch the proceedings. The link to the live streaming of the Annual General Meeting proceedings will be made available on the Company's website: www.lafarge.com.ng and by the Registrar, in due course.

BY ORDER OF THE BOARD

**Adewunmi Alode (Mrs.)**
General Counsel & Company Secretary
FRC/2018/ICSAN/00000017796
Dated this 24th February 2023
27B Gerrard Road
Ikoyi, Lagos.

# CHAIRMAN'S STATEMENT

> **Overall, net sales increased by 27% compared to prior year, to close at ₦373.2 billion. Similarly, Operating Profit improved by 29.3% on the back of net sales improvement to close at ₦84.2 billion.**

I am delighted to welcome you all to our Company's 64th Annual General Meeting and to present to you the Annual Report and Accounts for the 2022 financial year. I am particularly pleased that the 2022 results demonstrate the resilience of our operations in the face of very challenging economic conditions. My appreciation goes to the Board of Directors, Management and Staff for their role in ensuring that our Company continues to deliver sustainable value to shareholders and the rest of our stakeholders.

## RESULTS FOR THE YEAR

The domestic cement market remained strong with sustained demand, despite a slow-down experienced in the second half of the year due to pre-election activities, gas supply shortages and flooding in some parts of the country. While average selling prices increased in 2022 due to market forces and the need to offset inflationary pressures, despatched volumes were flat due to disruption to gas supply at our Ewekoro plant during the year. Overall, net sales increased by 27% compared to prior year, to close at ₦373.2 billion. Similarly, Operating Profit improved by 29.3% on the back of net sales improvement to close at ₦84.2 billion. In addition, cost saving initiatives implemented across our value chain contributed partly to operating profit improvement. The improvement in net sales and operating profit led to an increase in Profit Before Tax by 12% to ₦69.7 billion and Profit After Tax by 5.2% to close at ₦53.6bn.

## PROPOSED DIVIDEND

Based on the performance of the business, the Board of Directors is proposing a total dividend of ₦2.00 gross per share for 2022 financial year. This proposal represents a pay-out ratio of 60% on the profit after tax at ₦32.2bn. The proposed dividend is payable out of pioneer reserves of the Company. The proposed dividend if approved by shareholders, will be paid on the 28th of April 2023 to shareholders whose names appear in the Register of Members as at the close of business on Thursday, 6th April 2023.

**Mr. Adebode Adefioye** - *Chairman, Board of Directors*

# CHAIRMAN'S STATEMENT (CONT'D)

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

We remain committed to our sustainability ambitions and strategy of 'Accelerating Green Growth' through innovation in products, building solutions and delivery with superior performance. By driving circular construction that reduce waste, and recycling of materials, we promote stewardship of the environment and contribute to the global de-carbonization agenda. In line with Holcim's 2030 ambition, we continue to increase the use of Alternative Fuel, thereby reducing our carbon footprint and accelerating our journey towards net zero by 2050.

One of the highlights of our CSR initiatives was the launch of the Female Tilers Program in Lagos in partnership with other not-for-profit organizations. Also, the pioneer set of the Female Truck Driver initiative at our Mfamosing plant have completed requisite training and have been deployed within our logistics operations. Overall, in 2022, Lafarge Africa invested ₦751m in 122 CSR projects through diverse social investment programs and initiatives across our communities. These projects continue to create social impact with direct impact on over 126,223 persons within our host communities. A detailed report of our CSR activities during the year is set out on page 45 of this Annual Report and Accounts.

## BOARD CHANGES

With effect from 24th February 2023, Mrs. Virginie Darbo resigned from the Board. Mrs. Virginie was Regional CFO for Middle East & Africa for Holcim Group. Mrs. Darbo was appointed to the Board on 11th December 2020 and served on the Board until her resignation. We thank Mrs. Darbo for her immense contributions to the growth of the Company and wish her well in all of her future endeavors.

The Board has approved the appointment of Ms. Sonal Shrivastava to replace Mrs Darbo as a Non-Executive Director with effect from 25th February 2023. Ms. Shrivastava has over 25 years professional finance experience and is currently the Regional Chief Financial Officer at Holcim Group – Asia Pacific, Middle East and Africa region. We offer our warm welcome to Ms. Shrivastava and look forward to her active participation on the Board.

## OUTLOOK

The current financial year commenced with challenges around scarcity of petroleum products and shortage of cash in circulation resulting from currency redesign initiative by the Central Bank of Nigeria. These constrained economic activities at the start of the year. However, with the general elections now concluded and preparations underway for transition to a new administration, our outlook for 2023 remains cautiously positive.

**"While average selling prices increased in 2022 due to market forces and the need to offset inflationary pressures, despatched volumes were flat due to disruption to gas supply at our Ewekoro plant during the year. Overall, net sales increased by 27% compared to prior year."**

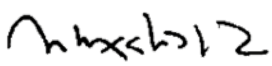
We will continue to manage the impact of the challenging business environment by paying attention to the key drivers of our business and take pro-active steps where necessary to mitigate any adverse impact. To strengthen our cost reduction initiatives, additional investments are being made to increase our capacity in the use of Alternative Fuel at Mfamosing plant. We are also making investments in backward integration for some of our key inputs and this will deliver significant cost and efficiency benefits. Lastly, we will continue to seek areas to de-bottleneck our plants to unlock additional capacities to meet growing market demand.

## CONCLUSION

Again, I will like to appreciate the Board of Directors, the Management and Staff of our Company for their commitment and contribution towards the achievement of the strong performance in 2022.

Similarly, our partner and largest shareholder, Holcim has been very supportive of our operations. They have remained relentless in ensuring that our operations match global best practices and that the governance of the Company serves all stakeholders.

Distinguished Shareholders, Board members, Ladies and Gentlemen, once again, I warmly welcome you to the 64th Annual General Meeting and I am pleased to invite you to, as usual, actively participate in the agenda of the meeting.



**Mr. Adebode Adefioye**
Chairman
Lafarge Africa Plc

# CORPORATE INFORMATION

## DIRECTORS

| | |
|---|---|
| Mr. Adebode Adefioye | Chairman |
| Mr. Khaled El Dokani (Egyptian) | Group Managing Director/CEO |
| Mr. Lolu Alade-Akinyemi | Chief Financial Officer |
| Mrs. Elenda Giwa-Amu | Non-Executive Director |
| Mrs. Adenike Ogunlesi | Independent Non-Executive Director |
| Mr. Grant Earnshaw (British) | Non-Executive Director |
| Mrs. Karine Uzan-Mercie (French) | Non-Executive Director |
| Mr. Marco Licata (Italian) | Non-Executive Director (resiged with effect from 5th April 2022) |
| Mr. Gbenga Oyebode, MFR | Independent Non-Executive Director |
| Mrs. Oyinkan Adewale, FCA | Independent Non-Executive Director |
| Mrs. Virginie Darbo (French) | Non-Executive Director (resigned with effect from 24th February 2023) |
| Mr. Kaspar Theiler (Swiss) | Non-Executive Director (appointed with effect from 20th April 2022) |
| Ms. Sonal Shrivastava (Indian) | Non-Executive Director (appointed with effect from 25th February 2023) |

## COMPANY SECRETARY
Mrs. Adewunmi Alode

## COMPANY REGISTRATION NUMBER
RC 1858

## REGISTERED OFFICE
Lafarge Africa Plc
No 27B Gerrard Road,
Ikoyi, Lagos

## INDEPENDENT AUDITOR
KPMG Professional Services
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island, Lagos.

## PRINCIPAL BANKS
Access Bank Plc
Citibank Nigeria Ltd
First Bank of Nigeria Ltd
Guaranty Trust Bank Ltd
Standard Chartered Bank Nigeria Ltd
Stanbic IBTC Bank Plc
United Bank for Africa Plc
Zenith Bank Plc
Ecobank Nigeria Ltd
First City Monument Bank Ltd
Union Bank of Nigeria Plc

## REGISTRAR
Cardinal Stone (Registrars) Limited
Formerly City Securities (Registrars) Limited
335/337 Herbert Macaulay Road,
Yaba, Lagos.

# CONTACT DETAILS & LOCATIONS

## Head Office:
No. 27B, Gerrard Road, Ikoyi,
Lagos State
Tel: +234 (1) 2713990

**Oregun Office:**
No. 38 Kudirat Abiola Road,
Off Adebayo Akande Street,
Oregun, Ikeja, Lagos.
Tel: +234 (0) 7088604744

**Abuja Liaison Office:**
No. 9 Julius Nyerere Crescent,
Asokoro, Abuja

### Plant Locations

**AshakaCem:**
Ashaka Works,
Gombe, Gombe State
Tel: 01 2713990 Ext 201

**Ewekoro I & II:**
Km 64, old Lagos-Abeokuta Road,
Ewekoro, Ogun State
Tel: +234 (0) 7015834347

**Mfamosing:**
Mfamosing Akampka LGA,
Cross River State
Tel:+234(0)7034167567

**Sagamu:**
Km 64, Old Lagos-Ikorodu Road,
Sagamu, Ogun State
Tel: +234 (1) 2713990

## Readymix Locations

**Abuja Plant (Idu):**
763, Cadastral Zone C16,
Opposite Salini Quarters,
Idu Industrial Estate, Abuja FCT
Abuja
Tel: +234(0) 7088604651

**Ewekoro Plant:**
Km 64, old Lagos-Abeokuta Road,
Ewekoro, Ogun State
Tel: +234 (0) 7015834347

**Onne Plant:**
Atlas Road FOT,
Onne Port Complex,
Port Harcourt,
Rivers State, Nigeria
Tel: +234(0)7088604662

**Oregun Plant:**
No. 38 Kudirat Abiola Road,
Off Adebayo Akande Street,
Oregun, Ikeja, Lagos.
Tel: +234 (0) 7088604744

**Trans Amadi Plant:**
17/19 Danjuma Drive,
Trans-Amadi Industrial Layout,
Port Harcourt, Rivers State
Tel: +234(0)7088604657

# BOARD OF DIRECTORS & COMPANY SECRETARY

**Mr. Adebode Adefioye**
Chairman

**Mr. Khaled El Dokani**
GMD/CEO

**Mr. Lolu Alade-Akinyemi**
Chief Financial Officer

**Mrs. Elenda Giwa-Amu**
Non-Executive Director

**Mrs. Adenike Ogunlesi**
Independent Non-Executive Director

**Mr. Grant Earnshaw**
Non-Executive Director

**Mrs. Karine Uzan Mercie**
Non-Executive Director

**Mr. Gbenga Oyebode, MFR**
Independent Non-Executive Director

**Mrs. Oyinkan Adewale, FCA**
Independent Non-Executive Director

**Mr. Kaspar Theiler**
Non-Executive Director

**Ms. Sonal Shrivastava**
Non-Executive Director

**Mrs. Adewunmi Alode**
General Counsel
& Company Secretary

# BOARD OF DIRECTORS & COMPANY SECRETARY'S PROFILES

**Mr. Adebode Adefioye**
Chairman

Mr. Adebode Adefioye joined the Board of the Company on the 20th of December 2012 and was appointed as the Chairman, Board of Directors on the 4th of June 2020.

Mr. Adefioye is an entrepreneur, a possibility thinker and a Chemist by training. He sat on the boards of a number of companies in Nigeria, including Eterna Plc and Wema Bank Plc, with focus on continuous improvement, good governance and long-term sustainability of these organisations. He has chaired a number of the Company's Board committees including the Property Optimization Committee and the Finance and Strategy Committee.

Mr. Adefioye is an alumnus of the University of Lagos from where he obtained a B.Sc. degree (Chemistry) in 1983. He also holds a Master of Science degree from the University of Lagos and is an alumnus of the Harvard Business School. He started his career with John Holt Plc and rose through the ranks to become General Manager from 2000 – 2002, after serving at different levels and sections in the company, with his experience covering Production & Quality Control, Personnel and Administration. He opted for an early retirement in 2002 and has since been engaged in business and public service.

Mr. Adefioye is a member of the Institute of Directors of Nigeria and the Institute of Public Analysts.

**Mr. Khaled El Dokani**
GMD/CEO

Mr. Khaled El-Dokani is a graduate of Commerce & Accounting from Alexandria University, Alexandria, Egypt and a Certified Public Accountant, Delaware, USA. He started his career with Coopers & Lybrand Deloitte where he worked as Audit Manager, after which he assumed the following roles from 1997-1998 as Finance Manager, Egyptian American Company, Egypt; from 1992-2002 as Chief Financial Officer, Diamond Bort, Belgium and as Chief Financial Officer, Egypt Cyber Center, Egypt from 2002-2004.

He joined the Holcim Group in 2004 where he assumed various Senior Executive positions such as: Country Chief Financial Officer, Lafarge Algeria, VP Business Development & Strategy for East North America, Country General Manager, Ready-mix, Aggregates & Gypsum Saudi Arabia and Country General Manager, Qatar.

In 2018, he was appointed as Country CEO, Iraq where he successfully achieved a turnaround in the business by returning it back to acceptable profit levels amongst other commendable feats within 18 months.

He was appointed as the Group Managing Director and Chief Executive Officer of Lafarge Africa Plc on the 18th of January 2020.

**Mr. Lolu Alade-Akinyemi**
Chief Financial Officer

Mr. Lolu Alade-Akinyemi is a certified accountant with over 20 years of experience leading and transforming Finance and Supply Chain teams in complex, multinational companies in the United Kingdom, Belgium, Ghana and Nigeria. He holds a Bachelor's degree in Economics from the University of Essex, UK and a Master's degree in Business Administration from the Edinburgh Business School, Scotland, UK and is currently the Chief Financial Officer and Supply Chain Director of Lafarge Africa Plc.

Prior to joining Lafarge in 2014, he was Finance Director, PZ Cussons Nigeria Plc, Head of New Business and Strategy, and Head of Supply Chain, Coca-Cola Bottling Company, Ghana, Finance Manager (Group Office), Coca-Cola Europe, Eurasia and Middle East Group, London, Finance Manager (Group Office), Coca- Cola Africa, Windsor, UK, Europe Group Financial Shared Service Center in Belgium, Assistant Budget and Planning Manager, Financial Accountant and Treasury Officer at Coca-Cola Nigeria Limited and Management Trainee at Mobil Oil Nigeria Plc.

He was appointed to the Board of Lafarge Africa Plc on the 8th of April 2020.

**Mrs. Elenda Giwa-Amu**
Non-Executive Director

Mrs. Elenda Giwa-Amu is the CEO, Chandrea Lifestyle Limited, a Home Interior business. Mrs. Giwa-Amu was the MD (Acting) Cross River State Tourism Bureau and Executive Secretary, Cross River State Carnival Commission, the prime driver of Calabar Carnival, which is regarded as Cross River State's most enduring brand.

She holds a B.Sc Honours in Microbiology/Zoology, from the University of Maiduguri and an Associate Degree in Design Technology from F.I.T New York. She is a member of the Women in Manufacturing (WIM) Africa and previously, Head, Private Banking, Chartered Bank now Stanbic IBTC.

She was appointed to the Board of Lafarge Africa Plc on the 11th March 2015.

**Mrs. Adenike Ogunlesi**
Independent Non-Executive Director

Mrs. Adenike Ogunlesi is the founder and Creative Director of Africa's leading premium children's clothing brand: Ruff 'n' Tumble, the foremost indigenous lifestyle brand operating to international standards in the design, manufacturing and retail of children's clothing.

She is an alumnus of the prestigious Lagos Business School. She is the founding member and the first president of the Network of Entreprenurial Women (NEW) at the Nigeria Employer's Consultative Association (NECA).

She is an advisory board member and mentor at WISCAR (Women in Successful Careers), a structured mentoring programme for young women.

Mrs. Ogunlesi has received several awards. She was a finalist at CNBC AABLA (All Africa Business Leaders Awards) in the category of the Business Woman of the year 2014 and 2015.

She was appointed to the Board of Lafarge Africa Plc on the 11th of March 2015.

**Mr. Grant Earnshaw**
Non-Executive Director

Mr. Grant Earnshaw holds a Postgraduate Diploma in Business Administration from Edinburgh Business School, and is a qualified Civil Engineer from Peterborough Technical College

# BOARD OF DIRECTORS & COMPANY SECRETARY'S PROFILES

UK. Grant has held several positions at Holcim, including Senior VP & Head of Integration, CEO of Lafarge Iraq, Group Vice President Strategy, Development, Mergers & Acquisitions and Managing Director, Lafarge Middle East. Prior to joining Holcim Group, Grant worked in Infrastructure Project Management for 10 years with Balfour Beatty Plc in the UK.

He is the Chairman of Holcim Liban S.A.L, Board member of Jordan Cement P.S.C and a Fellow of the Institute of Directors (UK). Grant is currently responsible for a portfolio of countries across EMEA at Holcim Group.

He was appointed to the Board of Lafarge Africa Plc on the 7th of April 2018.

**Mrs. Karine Uzan Mercie**
Non-Executive Director

Mrs. Karine Uzan Mercie is currently the Group Head of Tax at Holcim. Prior to joining Holcim in 2018, she occupied different positions in Coca-Cola Enterprises Inc., Atlanta, USA, the world largest Coca-Cola bottler, including Vice-President Corporate Initiatives, Group Head of Tax, Treasurer Europe and Vice-President Public Affairs & Communication, France. She was also Vice-President Tax at Alstom in Paris, France and International Tax lawyer at Ernst & Young in Paris, France.

She co-chairs the investment committee of the Holcim UK pension fund, is a board member of Holcim Maroc, of Oris the first digital platform for sustainable roads and of Puissance Elles, non-profit French organization providing education to girls in distressed areas. She is a knight of the legion of honor of France.

She was appointed to the Board of Lafarge Africa Plc on the 21st of March 2019.

**Mr. Gbenga Oyebode, MFR**
Independent Non-Executive Director

Mr. Gbenga Oyebode is the co-founder of Aluko & Oyebode, (Barristers & Solicitors) one of the largest integrated law firms in Nigeria, with offices in Lagos, Abuja and Port-Harcourt. Gbenga was an Associate with White & Case, New York between 1982 and 1983. Gbenga was educated at the University of Ife (LL.B Honours), and the University of Pennsylvania, Philadelphia (LL.M) graduating in 1979 and 1982, respectively. He is a Barrister and Solicitor of the Supreme Court of Nigeria (admitted June 1980) and an attorney-at-law of the Supreme Court of New York State (admitted November 1983). He was conferred Doctor of Laws (Honoris Causa), by the Ekiti State University, Ado Ekiti (2016) and Elizade University, Ilara Mokin, Ondo State (2017), and was conferred Doctor of Management Science (Honoris Causa) by Wellspring University, Benin City, Edo State (2021), Nigeria. He is the Chancellor of Elizade University, Ilara Mokin, Ondo State, Nigeria.

Mr. Oyebode is a Fellow of the Chartered Institute of Arbitrators (UK) (FCIArb) and the Nigerian Leadership Initiative (NLI). He is also a member of the Nigerian Bar Association, the American Bar Association, and the International Bar Association (IBA). Mr. Oyebode is the past Chairman of the Section of Business Law of the Nigerian Bar Association. Mr. Oyebode was conferred with one of Nigeria's highest honours, the Member of the Order of the Federal Republic of Nigeria (MFR) in the year 2000. He was also conferred with the Belgian Royal Honour of 'Knight of the Order of Leopold' in 2007. He received INSEAD's inaugural International Directors Network (IDN) Recognition Award in 2020. He received a Lifetime Achievement award at the IFLR Africa Awards 2022 for his outstanding contributions to the Nigerian business law.

He was Chairman, Access Bank Plc (2005-2015), Director MTN Nigeria Plc (2001-2019). He is the Chairman of Okomu Oil Palm Company Plc, Chairman of PZ Cussons Nigeria Plc and serves on the Boards of Nestle Nigeria Plc, Lafarge Africa Plc (all listed on the Nigerian Stock Exchange), Socfinaf S.A (listed on the Luxemburg Stock Exchange). He is also the Chairman of CFAO Nigeria. Gbenga is the Chairman of Teach for Nigeria, Chairman Teach for All, New York; Member of the Global Advisory Council of the Africa Leadership Academy, Johannesburg; Director - Jazz at the Lincoln Centre, New York and Director - African Philanthropy Forum. He is a Member of the Board of Trustees Carnegie Hall, New York; Member, Board of Trustees - Ford Foundation, New York; Member, Board of Trustees - The African Center, New York. He is a Member of the International Council of Collectors - The Cleveland Museum of Art, Ohio; Member, Advisory Board - Smithsonian's National Museum of African Art, Washington DC and Member, International Circle, Amis du Centre Pompidou, Paris.

Mr. Oyebode, who was the cover story of the Forbes Africa magazine July 2018 publication headlined: "Lawyer - Investor. Gbenga Oyebode, the new face of business in Africa", joined the Board of Lafarge Africa Plc on 8th April 2020.

**Mrs. Oyinkan Adewale, FCA**
Independent Non-Executive Director

Mrs. Oyinkan Adewale, FCA, a qualified chartered accountant since 1984, is a highly experienced finance expert with over 30 years' track record as Executive Director/Chief Financial Officer in various companies and over 20 years' experience serving on various boards.

From 2012 to 2018, she was the Executive Director/Chief Financial Officer of Union Bank Nigeria Plc. Prior to that, from 2009 to 2011, Mrs. Adewale was the CBN-appointed Executive Director/CFO at Oceanic Bank, where she supervised all the bank's subsidiaries and also served as a director of some of the subsidiaries. Following the acquisition of Oceanic Bank by ETI and its merger with Ecobank Nigeria in 2012, she managed the integration and was also the ETI Group Head of MIS.

Mrs. Adewale started her banking sector career at Citibank Nigeria Ltd in 1989 as Deputy Financial Controller and by 2002 when she left, had risen to the role of Executive Director/ CFO, Citibank with responsibility for Finance across 7 West African countries, including Nigeria. She has successfully led bank turnarounds and transformations, establishing world class finance functions. She was the Pioneer MD/COO at Renaissance Capital Africa from 2006 to 2009. Prior to that, she co-founded SIAO, a leading indigenous accounting firm that played a key role in the banking sector consolidation under then CBN Governor, Charles Soludo in 2005 and led SIAO to win several due diligence and financial advisory mandates that subsequently led to M & A transactions.

Mrs. Adewale started her professional career in 1981 at Coopers & Lybrand as a trainee accountant and left the firm in 1989 as an Audit Manager. She is a recipient of the Central Bank of Nigeria (CBN) Governor's commendation for meritorious service to the banking sector.

Mrs. Adewale was a member and treasurer of the board of

# BOARD OF DIRECTORS & COMPANY SECRETARY'S PROFILES

management of St. Saviour's School, Ikoyi, Nigeria's prominent British curriculum school. She holds a B.A French Hons degree from the University of Ibadan and is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN). She is an alumnus of INSEAD, Fontainebleau, IMD, Lausanne and Oxford Said Business School. A member of the faculty of the Institute of Directors Nigeria, Mrs. Adewale also teaches financial literacy and has been a guest lecturer of Ethics and Corporate Governance at the Lagos Business School. For over 20 years, she has been a trustee of Junior Achievement Nigeria.

She was appointed to the Board on the 4th of June 2020.

### Mr. Kaspar Theiler
Non-Executive Director

Mr. Kaspar Theiler is the Regional General Counsel, Asia, Middle East and Africa (AMEA) at Holcim Group. Kaspar joined the Holcim Group in 2016 as a Senior Legal Counsel and also served as General Counsel, Holcim Trading, prior to his appointment as Regional General Counsel Middle East and Africa in April 2022, and assuming his expanded role as Regional General Counsel AMEA in October 2022.

Kaspar Theiler holds a Bachelor of Arts in Law from the University of Lucerne, Switzerland, Master of Arts in Banking, Corporate, Finance and Securities Law from University of St. Gallen, Switzerland, and a Master of Laws in Common Law from Chinese University of Hong Kong in the Hong Kong Special Administrative Region of the People's Republic of China. Kaspar has extended experience in commercial law, mergers and acquisition, financing, corporate governance and stakeholder management.

Before joining the Holcim Group, Kaspar worked with two Swiss law firms, Schellenberg Wittmer Ltd and Bär & Karrer Ltd, as an Associate Corporate/M&A. He has also worked with the District Court of Zug, Switzerland, and Firmenich SA in Geneva, Switzerland.

He was appointed to the Board of Lafarge Africa Plc on the 20th of April 2022.

### Ms. Sonal Shrivastava
Non-Executive Director

Ms. Sonal has over 25 years of rich experience in the finance and accounting profession. Currently the Regional Chief Financial Officer at Holcim Group – Asia Pacific, Middle East and Africa region, based in Mumbai. Ms. Sonal is responsible for the Group's overall finance, accounting and tax functions in the region.

In the recent past, she held the position of Chief Financial Officer at Ambuja Cements Limited and has also held various operational roles in ACC Limited as Chief Supply Chain Officer and Head of Strategy & Projects.

In her vast career span of over two decades, Ms. Sonal was associated with many reputed companies such as Hindustan Zinc Limited, Duet India Infrastructure Pvt Ltd, Suzlon Energy Ltd (India), Infrastructure Leasing & Financial Services Ltd and Zenith Chemicals Pvt Ltd. Furthermore, she has also led international cross-functional teams in various fundraising, investments, mergers & acquisitions (M&A) and business audit. Her core expertise includes Finance & Control, M&A, Strategy & Business Development, Capital Market fundraising, Purchase, Audit, Governance Risk & Compliance, Shared Services and more.

Ms. Shrivastava has been associated with Holcim Group for over a decade in which she received an opportunity to work with the Group's various entities such as Lafarge Group SA - Paris, France and India, Lafarge India Private Limited, Ambuja Cements Limited and ACC Limited at different intervals.

Sonal holds educational accomplishments with Masters in Management Studies, Finance (MBA) from Jamnalal Bajaj Institute of Management Studies, Mumbai University, India and Bachelor of Engineering in Chemical Engineering from BIT Sindri, India. She is also a member of Confederation of Indian Industry (CII) National Committee on Financial Reporting 2021-22, and Board Member of various companies within the Holcim Group.

She was appointed to the Board on 25th February 2023.

### Mrs. Adewunmi Alode
General Counsel & Company Secretary

Mrs. Adewunmi Alode is currently the General Counsel and Company Secretary.

She was appointed as the Secretary to the Board on the 12th of December 2017 and General Counsel in June 2019. She is a Chartered Secretary, qualified by the Institute of Chartered Secretaries and Administrators, UK and Nigeria. She obtained her Law degree from the Lagos State University and was called to the Nigerian Bar in 2004. She holds a Masters degree in Business Administration (MBA) from Business School Netherlands (2020). She is an alumnus of the Lagos Business School (2022) and Ivey Academy of the Ivey Business School (2022).

She was Company Secretary of Unicorn Holdings Limited before joining the Company (then Lafarge Cement WAPCO Nigeria Plc) in 2008 as a Legal Officer. She rose to assume several roles within the Company including Company Secretary of the previously wholly-owned subsidiary, Lafarge Readymix Nigeria Limited, Compliance Officer, Legal Manager and Senior Legal Counsel for Commercial Contracts.

In 2019, she was recognised and awarded with the "40 under 40" award by ESQ Nigerian Legal Awards. She was equally ranked among the top 50 General Counsels in 2019. In 2020, she was recognised by the International Cement Executive as one of Africa's Top 30 Women shaping Africa's cement industry.

In 2022, she was recognized by the Holcim Group Security & Resilience team as an Outstanding Member of the Business Resilience Team of the Year.

# LEADERSHIP TEAM

**Khaled El-Dokani**
Group Managing Director/CEO

**Lolu Alade-Akinyemi**
Chief Financial Officer

**Johannes Diedericks JJ**
Industrial Director

**Gbenga Onimowo**
Commercial Director

**Gbemiga Owolabi**
Organization & Human Resources Director

**Ibrahim Aminu**
Managing Director, AshakaCem Limited

# LEADERSHIP TEAM

**Adewunmi Alode**
General Counsel &
Company Secretary

**Femi Yusuff**
Head of Mortar, Innovation &
New Products Development

**Daniel Adedokun**
Head of Geocycle Nigeria

**Saeed Ande**
Procurement Director

**Segun Shoyoye**
Power & Gas Director

**Helmut Korak**
Country Security Manager


# DIRECTORS' REPORT

The Directors are pleased to present the Annual Report of Lafarge Africa Plc (the "Company") and its subsidiaries (together as "the Group"), along with the Audited Consolidated and Separate Financial Statements of the Group for the year ended 31st December 2022.

## 1. LEGAL FORM

Lafarge Africa Plc, a publicly quoted company on Nigerian Exchange Group (NGX), was incorporated in Nigeria under the Companies Act (now Companies and Allied Matters Act 2020) on the 24th of February 1959. The Company became listed on the Nigerian Stock Exchange (now Nigerian Exchange Group) in 1979. The name of the Company was changed from Lafarge Cement WAPCO Nigeria Plc to Lafarge Africa Plc on the 9th of July 2014.

## 2. SUBSIDIARIES

The Company has full ownership of Ashakacem Limited (RC 13422) and Wapsila Nigeria Limited (RC 1228321).

## 3. PRINCIPAL ACTIVITIES

The principal activities of the Group and Company are manufacturing and marketing of cement, concrete and aggregate products, including the provision of building solutions.

## 4. SUMMARY OF GROUP AND COMPANY RESULTS FOR THE YEAR

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Revenue | **373,244,938** | 293,086,183 | **340,633,999** | 262,299,071 |
| Profit before minimum tax | **69,744,701** | 62,254,478 | **71,537,203** | 63,649,528 |
| Minimum tax | **(1,433,556)** | (466,769) | **(1,263,252)** | (466,769) |
| Income tax expense | **(14,663,689)** | (10,784,160) | **(15,241,491)** | (9,726,847) |
| Profit after tax | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| Other comprehensive income for the year | **1,669** | 134,216 | **1,669** | 134,216 |
| Total comprehensive income for the year | **53,649,125** | 51,137,765 | **55,034,129** | 53,590,128 |

## 5. DIVIDEND

The Board of Directors is proposing gross dividend of 200k (2021: 200k) on every ordinary share in issue amounting to ₦32,215,591,442.00 (2021: ₦32,215,591,442.00 ). The proposed dividend, if approved by shareholders, is payable from the pioneer profits and is not subject to deduction of withholding tax. The proposed dividend is subject to approval by the shareholders at the Annual General meeting.

## 6. SHAREHOLDING AND SUBSTANTIAL SHAREHOLDERS

The issued and fully paid-up Share Capital of the Company as at 31 December 2022 was 16,107,795,721 ordinary shares of 50kobo each (31 December 2021: 16,107,795,721 ordinary shares of 50 kobo each). The Register of Members show that two companies: Associated International Cement Limited (AIC UK) and CariCement BV, held more than 5% of the Company's Issued share capital.

# DIRECTORS' REPORT (CONT'D)

Holcim Limited is an international investor holding its shares in the names of its subsidiaries: AIC UK (27.77%) and CariCement BV (56.04%). Total shareholding of Holcim Limited (formerly LafargeHolcim Limited) in the Company was 83.81% as at 31 December 2022. The remaining 16.19% of the issued shares were held by other individuals and institutions.

Aside the aforementioned two companies, no other shareholder held more than 5% of the issued share capital of the Company as at 31 December 2022.

At the Company's 63rd Annual General Meeting held on 21st April 2022, the shareholders of the Company passed a special resolution for the cancellation of the 3,892,204,279 unissued shares of the Company, in accordance with the requirements of the Companies and Allied Matters Act 2020. Pursuant to this, the Company's issued and fully paid share capital is ₦8,053,897,860.50 divided into 16,107,795,721 ordinary shares of 50 kobo each.

## SHAREHOLDING STRUCTURE AS AT 31ST DECEMBER 2022

**Paid Up Share Capital: ₦8,053,897,860**

| Major Shareholders | Holdings | % Holdings |
|---|---|---|
| **FOREIGN** | | |
| Caricement BV | 9,027,365,874 | 56.04 |
| Associated Intl Cements Ltd U.K | 4,473,044,718 | 27.77 |
| **Sub-Total** | **13,500,410,592** | **83.81** |
| **OTHER SHAREHOLDERS** | | |
| Stanbic IBTC Nominees Limited | 383,620,333 | 2.38 |
| Odua Investment Company Limited | 318,363,524 | 1.98 |
| **Sub-Total** | **701,983,857** | **4.36** |
| Other Nigerians | **1,905,401,272** | **11.83** |
| **Total** | **16,107,795,721** | **100.00** |

## 7. PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is disclosed in Note 15 to the Consolidated and Separate Financial Statements. In the opinion of the Directors, the recoverable amount of the Group's property, plant and equipment is not less than the value shown in the audited financial statements.

## 8. UNCLAIMED DIVIDEND AND SHARE CERTIFICATES

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as "unclaimed". Any member affected by this notice is advised to write to the office of the Company's Registrar, CardinalStone Registrars Limited. The list of unclaimed dividend can be accessed at the Registrar's office or via the Company's website: www.lafarge.com.ng.

The Company's Registrars have advised that the total amount outstanding as at 31 December 2022 is the sum of ₦1,636,941,990.00

# DIRECTORS' REPORT (CONT'D)

## 9 DIRECTORS

The Directors of the Company as at 31 December 2022 are as follows:

| S/N | Names | Designation | Dates Appointed |
|---|---|---|---|
| 1. | Mr. Adebode Adefioye | Chairman/Non-Executive Director | 20th December 2012 |
| 2. | Mr. Khaled El Dokani | Group Managing Director/Chief Executive Officer | 18th January 2020 |
| 3. | Mr. Lolu Alade-Akinyemi | Chief Financial Officer/Executive Director | 8th April 2020 |
| 4. | Mrs. Elenda Giwa-Amu | Non-Executive Director | 11th March 2015 |
| 5. | Mrs. Adenike Ogunlesi | Independent Non-Executive Director | 11th March 2015 |
| 6. | Mr.Grant Earnshaw | Non-Executive Director | 7th April 2018 |
| 7. | Mrs. Karine Uzan Mercie | Non-Executive Director | 21st March 2019 |
| 8. | Mr. Marco Licata** | Non-Executive Director | 21st July 2019 |
| 9. | Mr. Gbenga Oyebode, MFR | Independent Non-Executive Director | 8th April 2020 |
| 10. | Mrs. Oyinkan Adewale, FCA | Independent Non-Executive Director | 4th June 2020 |
| 11. | Mrs. Virginie Darbo* | Non-Executive Director | 11th December 2020 |
| 12. | Mr. Kaspar Theiler | Non-Executive Director | 20th April 2022 |

*** resigned as a Director with effect from 5th April 2022.*
** resigned as a Director with effect from 24th February 2023.*

## 10. DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 54 to 146 that gives a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act 2020 (CAMA) and the Financial Reporting Council of Nigeria Act 2011.

The Directors further accept responsibility for maintaining accounting records as required by the Companies and Allied Matters Act 2020 and for such internal control as the Directors determine is necessary, to ensure adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds, errors and other irregularities.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least twelve months from the date of this statement.

## 11. DIRECTORS' INTEREST IN SHARES

In accordance with sections 301 of the Companies and Allied Matters Act 2020 and in compliance with the Listing Rules of the Nigerian Exchange Group, the interest of Directors in the issued share capital of the Company are recorded in the Register of Members and Register of Directors Interest in Shares. The interest of Directors in the shares of the Company as at 31 December 2022 are as follows:

| Names | No of Direct Shares 31.12.2022 | No of Indirect Shares 31.12.2022 | No of Direct Shares 31.12.2021 | No of Indirect Shares 31.12.2021 | No of Direct Shares 31.12.2020 | No of Indirect Shares 31.12.2020 |
|---|---|---|---|---|---|---|
| Mr. Adebode Adefioye | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Khaled El Dokani | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Lolu Alade-Akinyemi | Nil | Nil | Nil | Nil | Nil | Nil |
| Mrs. Elenda Giwa-Amu | 203,550 | Nil | 203,550 | Nil | 203,550 | Nil |
| Mrs. Adenike Ogunlesi | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr.Grant Earnshaw | Nil | Nil | Nil | Nil | Nil | Nil |
| Mrs. Karine Uzan Mercie | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Marco Licata | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Gbenga Oyebode, MFR | Nil | Nil | Nil | Nil | Nil | Nil |
| Mrs. Oyinkan Adewale, FCA | Nil | Nil | Nil | Nil | Nil | Nil |
| Mrs. Virginie Darbo | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. Kaspar Theiler | Nil | Nil | Nil | Nil | Nil | Nil |
| **Grand Total** | **203,550** | | **203,550** | | **203,550** | |

*Except as disclosed, none of the Directors has notified the Company of any disclosable interests in the Company's share capital and none of the Directors has an indirect shareholding in the Company.*

# DIRECTORS' REPORT (CONT'D)

## 12. DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act 2020, that they were members or held shareholding of some specified companies which could be regarded as interested in any contracts involving the Company as at 31 December, 2022. However, one of the Directors, Mr. Gbenga Oyebode is the co-founder of Aluko & Oyebode (Barristers & Solicitors), which is one of the law firms engaged by the Company for legal services.

## 13. CORPORATE GOVERNANCE

A detailed report on the Board/Company's corporate governance activities, practices and procedures are outlined in pages 28 to 37 of this Annual Report.

## 14. DONATIONS AND CHARITABLE GIFTS

In 2022, the Group and Company expended approximately ₦761million (2021: ₦604 million) on diverse social investment programs and initiatives in our communities in Nigeria. The breakdown of the contributions is as follows:

| | 31 Dec 2022 ₦ | 31 Dec 2021 ₦ |
|---|---|---|
| Corporate Social Responsibility interventions | **751,241,016** | 595,931,780 |
| Donations & Sponsorships | **9,750,000** | 8,185,000 |
| **Total** | **760,991,016** | **604,116,780** |
| | | |
| **Donations and charitable gifts by communities** | | |
| Mfamosing, Cross River state | **247,246,756** | 117,588,740 |
| Ewekoro, Ogun state | **216,900,000** | 192,900,000 |
| Sagamu, Ogun state | **130,000,000** | 125,000,000 |
| Ashaka, Gombe state | **108,147,260** | 146,776,305 |
| Elsewhere in Nigeria | **58,697,000** | 21,851,735 |
| | **760,991,016** | **604,116,780** |

In accordance with the provisions of Section 43 (2) Companies and Allied Matters Act 2020 and the Company's Sponsorship and Donations Directive, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year in review (2021: nil).

## 15. ORGANISATION AND HUMAN RESOURCES

### Organisation and Talent Development

As strategic partners, we are committed to enabling all Lafarge Africa employees to contribute at optimum levels to the success of the business, while promoting the right values to strengthen our high-performance culture.

In line with this commitment, we launched SPARK, Holcim's talent identification and succession planning framework, which provides a transparent platform for identifying talent and creating inclusive and diverse succession plans that support employee growth.

The second edition of the Lafarge Africa Career Week was held in June 2022, with the theme Digging Deep. It featured thought-provoking talks from external and internal speakers and highlighted the importance of being deliberate about one's careers. We also partnered with professional bodies such as the Chartered Institute of Personnel Management of Nigeria (CIPMN) and the Nigerian Society of Engineers (NSE) to discuss the role of certifications in our professional journeys.

### Resourcing and Diversity

We continued to promote Diversity & Inclusion through partnerships (IFC/NSE Nigeria2Equal) and various local initiatives. The Lafarge Africa Green Women Network (GWN) was launched on the 22nd of September 2022 to develop, partner and support women through policy advocacy and leadership. It provides a platform for women to be seen and heard while growing a sustained career in the manufacturing sector in Nigeria and in the rest of Africa.

The International Women's Day (IWD) was celebrated on the 8th of March 2022, with the theme Gender Equality for a Sustainable Tomorrow. The event featured speakers who shared their perspectives on the importance of a sustainable and gender-equal future, as well as the impact of unconscious bias.

# DIRECTORS' REPORT (CONT'D)

As part of our efforts to increase female representation in the manufacturing sector, especially in our industrial and commercial population, females made up 50% and 27% respectively of the total hires in these functions in 2022, which is a significant improvement in our diversity and inclusion drive. We continue to review our policies to ensure that they are inclusive and gender attractive.

## Learning and Development

Lafarge Africa has a clear Learning & Development strategy which rides on the 70:20:10 principle. Various learning programs were conducted to empower employees with new skills to drive the desired business results.

As developing future leaders is integral to our sustainability as a business, our flagship programme - Lafarge Strategic Leadership Programme, conducted in partnership with the Lagos Business School, remained a key intervention for development. The programme was targeted at Functional Heads and Plant Managers' direct reports and focused on building leadership, strategy and business acumen skills. A number of other leadership programs such as the Early Career Leadership Program (ECLP) and Emerging Leaders Program were deployed by the Holcim Group to accelerate the development of key talents.

To enhance technical competencies, Plant Manager designates and Maintenance Managers attended the Accelerate and Maintenance Manager Development Programs respectively. The year 2022 also saw the graduation of 15 Cement Professional Technicians who have now been fully employed by the Company.

To support employees in their career journeys, we launched our digitalized Coaching and Mentoring Platform which afforded employees the opportunity to select coaches and mentors from a pool to help them grow and develop to their full potential.

A Commercial Job Rotation Plan was designed and implemented as part of the development of 15 engineering graduate trainees who were onboarded in December 2019. The rotation exercise was put in place to ensure the engineering trainees are well-rounded and exposed to the commercial and operational areas of the business.

We continued to leverage our e-learning platform – Percipio for self-paced learning content, encouraging learning on the go and our 100 book club to foster a reading culture, knowledge sharing and thoughtful conversations among employees.

## Health, Safety and Welfare

In 2022, we cautiously emerged from the strict Covid-imposed restrictions on travel and interactive activities. Nevertheless, we continued to track and monitor inbound visitors to the business, as PCR testing was replaced by evidence of Covid-19 vaccination as the entry requirement into the country, as well as an access requirement to our operational areas.

We conducted training and re-training of first aiders across the business and completed a functional review of the emergency contact hospitals for our depots. We also conducted our statutory task-specific medical tests of all field workers (FTEs, FTCs and 3rd party contractors) from Q2 – Q3 2022.

In view of the resumption of formal office work, albeit in a hybrid format, health and safety protocols were carried out ahead of the re-opening of the canteens for in-person dining. An emergency drill was also conducted in the head office - the first since the pandemic lockdown of 2020.

Overall, health promotion and maintenance of employee (and contractor) wellbeing continued in the reporting year, with health awareness drives through town hall talks, and internal communication via email and on HIVE – the Company Telegram app.

Blood pressure check corners were deployed in all business units to improve access to quality healthcare, even as we continued to follow up on old and newly diagnosed chronic medical cases.

In Lafarge Africa Plc, we continue to conduct our businesses with a goal of zero harm to all our stakeholders, by providing safe, healthy and secure work conditions for everyone. We maintain a global Health and Safety Management System designed to continuously improve our performance and actively minimise risk in our business.

# DIRECTORS' REPORT (CONT'D)

**Employee Engagement**

In furtherance of our commitment to creating an environment where our employees are highly engaged and continuously thrive, we administered the Lafarge Africa Plc Engagement Survey to obtain insights into people's decisions and business improvement. The survey ended with a participation rate of 86% and an engagement score of 3.84 (out of 5). The results showed positive feedback and a high level of commitment to the business. Following the survey, opportunities for improvement were identified. Action plans have been mapped out across business segments and are being monitored for implementation.

We launched "Stars Amongst Us", our digital reward and recognition platform, to enhance employee experience and keep our people motivated. The point-based platform affords employees the opportunity to give and receive instant appreciation and also receive "monetary" rewards through points accumulated from Awards. Accumulated points are redeemable from over 30 redemption partners.

"Hangout sessions with Khaled" continued to feature as part of our engagement strategy in 2022. Through this platform, employees were able to engage with the CCEO on various topics of interest.

## 16. STATUTORY AUDIT COMMITTEE

In accordance with Section 404 (3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee of the Company was constituted at the 63rd Annual General Meeting held in Lagos, Nigeria on 21st April 2022, comprising of three (3) shareholders and two (2) Non-Executive Directors namely: i) Mr. Adebayo Adeleke; ii)Mr. David Adekanmbi; and iii)Mr. Timothy Adejuwon (Shareholders' Representatives) iv) Mrs. Oyinkan Adewale, FCA (Independent Non-Executive Director); and v) Mrs. Karine Uzan Mercie (Non-Executive Director).

## 17. INDEPENDENT AUDITORS

KPMG Professional Services (KPMG) served as the Company's Independent Auditor during the year under review and their term of office as Auditors will expire upon completion of the Company's 2023 Annual General Meeting. KPMG was appointed as the Company's Independent Auditors on 16th August 2017.

The Board of Directors have recommended the appointment of the firm of Ernst & Young as the Company's External Auditors, with effect from the completion of the 2023 Annual General Meeting. The appointment of Ernst & Young will align the audit function across the Holcim Group, for better synergy, efficiency and reporting.

A resolution will be proposed to authorize the Directors to fix the remuneration of the Independent Auditors.

## 18. EVENTS AFTER REPORTING DATE

Other than as disclosed in note 39 of the Audited Financial Statements, there are no events after the reporting date, which could have had material effect on the financial position of the Group as at 31 December 2022 and the profit and other comprehensive income for the period ended at that date.

## 19. DISTRIBUTORS

The list of the Company's Distributors are included in pages 161 to 163 of this Annual Report.

BY ORDER OF THE BOARD

**Adewunmi Alode (Mrs.)**
Company Secretary
FRC/2018/ICSAN/00000017796
Dated this 24th day of February 2023

# CORPORATE GOVERNANCE REPORT

The Board of Directors of Lafarge Africa Plc recognises the importance of effective corporate governance in the successful operations of the Company in the global business environment. The Board maintains a constant commitment to the highest standards of corporate governance, which are considered critical to business sustainability, achievement of long-term value for all stakeholders and sustenance of investors' trust.

As a listed entity, the Company complies with the provisions of its Memorandum and Articles of Association, the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 (the "Nigerian Code"), the Nigerian Exchange Issuers' Rules, the Rules and Corporate Governance Guidelines of the Securities and Exchange Commission (SEC) and international best practices. These applicable laws and regulations are complimented by Holcim Group's Code of Business Conduct, which provides uniform standards of values, ethics and business principles for all entities within the Group. The Code of Business Conduct is reviewed periodically by the Group and compliance with the Code is strictly monitored.

The Board's corporate governance activities for the year 2022 are highlighted below, in compliance with relevant laws and regulations, as well as international best practices:

## 1. BOARD COMPOSITION

The Company's Board consists of eleven (11) Directors, in accordance with the Company's Articles of Association. The Board is of a sufficient size relative to the scale and complexity of the Company's operations, as required by the Nigerian Code of Corporate Governance 2018 (the "Nigerian Code").

The Board promotes diversity and inclusion in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. The Board has a mix of Executive, Non-Executive and Independent Non-Executive Directors, who possess high level of competence and experience, with impressive records of achievement, spanning across various industries including: manufacturing; sales, marketing and branding; law; finance and accounting; business administration; taxation; sciences; risk management; banking and entrepreneurship.

As at 31 December 2022, the Board comprised of six (6) Non-Executive Directors, three (3) Independent Non-Executive Directors and two (2) Executive Directors. There are five (5) female Directors and six (6) male Directors on the Board.

Information regarding Directors holding concurrent Directorships have been disclosed to the Board and are available on pages 17 to 19 of this Report. The names of Directors holding concurrent directorships are: Mr. Grant Earnshaw, Mrs. Karine Uzan-Mercie, Mr. Gbenga Oyebode, MFR and Mrs. Oyinkan Adewale, FCA.

### EXECUTIVE DIRECTORS

The position of the Board Chairman and the Group Managing Director (GMD/CEO) are separate and not held by the same individual. The GMD is not a chairperson of any of the Board Committees, neither is the Board Chairman a member or chairperson of any of the Board Committees. Also, Executive Directors do not chair any Board Committee.

The Executive Directors have contracts of employment and letters of appointment that outline their terms of employment, roles and responsibilities as Directors. Executive Directors declare any conflict of interest on appointment, and subsequently on a quarterly basis or as they arise.

### NON-EXECUTIVE DIRECTORS

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

Induction sessions are organised for newly appointed Directors in accordance with the Company's Board Selection and Appointment Policy and the provisions of the Nigerian Code. Non-Executive Directors are provided with detailed information relating to Management and all Board matters in a standard format that ensures completeness. They have unfettered access to Executive Directors, the Company Secretary and the Head of Internal Audit.

Non-Executive Directors also declare any conflict of interest on appointment, and subsequently on a quarterly basis or as they arise.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The three (3) Independent Non-Executive Directors on the Board of the Company meet the requirements of section 7.2 of the Nigerian Code. They were appointed in accordance with the Company's Board Selection and Appointment Policy, which prescribes a rigorous process involving: consideration of available and required skill-set on the Board; consideration of the recommended practices under the Nigerian Code; assessment, screening and shortlisting of candidates; recommendation of eligible and suitable candidate by the Nominations, Governance and Remuneration Committee to the Board for approval.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The duties, liabilities and terms of engagement of Independent Non-Executive Directors are clearly specified in their letters of appointment. The Board ascertains and confirms independence of the Independent Non-Executive Directors annually, through the declaration of conflict and review by the Nominations, Governance and Remuneration Committee. The Independent Non-Executive Directors declare any conflict of interest on appointment, and subsequently on a quarterly basis or as they arise. Independent Non-Executive Directors do not own shares in the Company or any of its subsidiaries or affiliates. They have no other relationship with the Company apart from directorship and they only receive Director's Fees and Sitting Allowances.

All Directors have access to independent professional advice in the discharge of their duties. This is documented in the Company's Board Charter and Independent Professional Advice Policy. The Company bears the cost of such independent professional advice.

## 2. BOARD SELECTION AND APPOINTMENT

The Board periodically invigorates its capabilities by ensuring the appointment of new members with relevant skills and fresh perspectives, while retaining valuable knowledge, skills, experience and diversity; and maintaining continuity.

The Board has an approved Selection and Appointment Policy that outlines the selection criteria for appointment to the Board. The criteria considered for appointment to the Board are as follows:

- diversity requirements of the Board.
- integrity and ethical values of the prospective director.
- capacity and the required expertise needed for the Board to effectively fulfill its responsibilities, including:
  - educational qualification.
  - industry and corporate experience.
  - business development and risk management skills and experience.
  - time availability of the prospective director.

Prior to appointment as directors, due diligence and evaluation exercises are carried out to determine whether the potential appointees are fit and proper persons. The procedure for ensuring that the Board is refreshed periodically is highlighted in the Company's Succession Planning Policy.

## 3. ROLE OF THE BOARD

The Board has an Approved Charter that specifies the roles, terms of reference and responsibilities of the Board, its Directors and Officers.

The Board met regularly to consider matters reserved for it, set broad policies for the Company's business and operations and ensure that a professional relationship is maintained with the Company's auditors, to promote transparency in financial and non-financial reporting. Furthermore, the Company has a conflict of interest policy adhered to by the Board and Management.

The role of the Board as contained in the Board Charter is summarized as follows:

- Review and align goals, annual budget and business plans with the overall strategy of the Company.
- Set performance objectives; monitor implementation and oversee major capital expenditure in line with approved budget.
- Ensure the integrity of the Company's accounting and financial reporting systems and that appropriate systems are in place for monitoring risk, financial control and compliance with laws.
- Through Board Committees, make recommendations and take decisions on issues of expenditure that may arise outside the normal meeting schedule of the Board.
- Ratify duly approved recommendations and decisions of the Board Committees.
- Maintain supervisory responsibility for overall budgetary planning, major treasury planning, scientific and commercial strategies. The Board is responsible for satisfying itself that the planning procedure and the Company's overall objectives are appropriate.
- Review on a periodic basis actual business performance relative to established objectives.
- Review and approve internal controls and risk management policies and processes.
- Performance appraisal and compensation of Board members, succession planning and appointment, training, remuneration and replacement of Board members and Senior Executives.

## 4. THE BOARD CHAIRMAN

The Chairman of the Board is a Non-Executive Director, he was appointed as Chairman on the 4th of June 2020. The Chairman is not a former GMD/CEO or Executive Director of the Company. The roles and responsibilities of the Chairman are clearly defined in his appointment letter and Board charter.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## 5. THE COMPANY SECRETARY

The Company Secretary is an in-house counsel. She is a lawyer and a Chartered Secretary (UK and Nigeria). She is a member of the senior management team and reports to the Board Chairman with a communication line to the GMD/CEO.

The Company Secretary was appointed by the Board through a rigorous selection process involving interview of candidates, shortlisting and consideration by the Board Nominations, Governance and Remuneration Committee. The Board undertakes and approves the performance appraisal of the Company Secretary in accordance with extant laws, rules and regulations.

## 6. BOARD CHANGES

Mr. Marco Licata resigned as a Non-Executive Director on the Board of the Company with effect from 5th April 2022. The Board, on a recommendation of the Nominations, Governance and Remuneration Committee, appointed Mr. Kaspar Theiler as a Non-Executive Director with effect from 20th April, 2022, to fill the casual vacancy created on the Board. Mr. Kaspar Theiler's profile is contained on page 19 of this Annual Report. His appointment as a Non-Executive Director will be presented to the shareholders for ratification at the Annual General Meeting scheduled to hold on 28th April 2023.

Mrs. Virginie Darbo also resigned as a Non-Executive Director with effect from 24th February 2023. The Board, on a recommendation of the Nominations, Governance and Remuneration Committee, appointed Ms. Sonal Shrivastava as a Non-Executive Director of the Company with effect from 25th February 2023, to fill the casual vacancy created on the Board. Ms. Shrivastava's profile can be found on page 19 of this Annual Report and her appointment will be presented to the shareholders for ratification at the Annual General Meeting scheduled to hold on 28th April 2023.

## 7. RETIREMENT BY ROTATION

In accordance with Articles 97 to 99 of the Articles of Association of the Company, one-third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board).

Pursuant to this requirement, the Directors to retire by rotation, and who being eligible, offer themselves for re-election are Mr. Gbenga Oyebode, MFR (Independent Non-Executive Director), Mrs. Oyinkan Adewale, FCA (Independent Non-Executive Director) and Mrs. Adenike Ogunlesi (Independent Non-Executive Director). The profiles of the retiring Directors standing for re-election are set out on pages 17 to 18 of this Annual Report.

## 8. THE BOARD OF DIRECTORS' ATTENDANCE

In accordance with Section 284 (2) of the Companies and Allied Matters Act 2020 and the Nigerian Code, the record of Directors' attendance at meetings held during the year 2022 are detailed in subsequent paragraphs in this Report and will be available for inspection at the venue of the Annual General Meeting.

## 9. BOARD MEETINGS

The Board has a formal schedule of meetings for each year. In 2022, the Board met four (4) times, in line with the Board schedule for the year under review. The dates of Board meetings held in 2022 were as follows: 25th February 2022, 20th April 2022, 27th July 2022 and 27th October 2022.

The record of attendance of Directors at the meetings is as follows:

| S/N | Names | No. of Meetings |
|---|---|---|
| 1. | Mr. Adebode Adefioye | 4/4 |
| 2. | Mr. Khaled El Dokani | 4/4 |
| 3. | Mr. Lolu Alade-Akinyemi | 4/4 |
| 4. | Mrs. Elenda Giwa-Amu | 4/4 |
| 5. | Mrs. Adenike Ogunlesi | 3/4 |
| 6. | Mr. Grant Earnshaw | 4/4 |
| 7. | Mrs. Karine Uzan Mercie | 4/4 |
| 8. | Mr. Marco Licata | 1/4 |
| 9. | Mr. Gbenga Oyebode, MFR | 4/4 |
| 10. | Mrs. Oyinkan Adewale, FCA | 4/4 |
| 11. | Mrs. Virginie Darbo | 4/4 |
| 12. | Mr. Kaspar Theiler* | 3/4 |

**appointed to the Board with effect from 20th April 2022.*

# CORPORATE GOVERNANCE REPORT (CONT'D)

Minutes of Board meetings are prepared and sent to Directors at least seven (7) days prior to scheduled meetings and are adopted at the subsequent scheduled meetings of the Board. Attendance at meetings are taken into consideration in recommending Directors for re-election at Annual General Meetings.

## 10. COMMITTEES OF THE BOARD

All Board Committees have approved Terms of Reference setting out their responsibilities, composition and matters to be considered. Minutes of Board Committee meetings are prepared and sent to the Directors at least seven (7) days prior to scheduled meetings. The minutes are adopted at the subsequent scheduled Committee meeting. The Company Secretary acts as secretary to the Board Committees. The Chair of each Committee (except the Statutory Audit Committee) is appointed by the Board.

### i) Finance and Strategy Committee

In accordance with the Committee's Terms of Reference, the Finance and Strategy Committee has the responsibility to review and make recommendations to the Board of Directors with respect to the Company's periodic and long-term financial strategies and objectives.

The Finance and Strategy Committee consists of six (6) members: two (2) Independent Non-Executive Directors, three (3) Non-Executive Directors and the Managing Director. The Chief Financial Officer is a permanent attendee at the meetings of the Committee. The Chairman of the Committee is an Independent Non-Executive Director.

The Committee held four (4) scheduled meetings in 2022. The table below shows the attendance of the members of the Committee at meetings held on the following dates: 24th February 2022, 20th April 2022, 25th July 2022 and 24th October 2022.

| S/N | Names | Designation | No. of Meetings |
|---|---|---|---|
| 1. | Mrs. Oyinkan Adewale, FCA | Chairperson | 4/4 |
| 2. | Mr. Khaled El Dokani | Member | 4/4 |
| 3. | Mrs. Elenda Giwa-Amu | Member | 4/4 |
| 4. | Mrs. Karine Uzan Mercie | Member | 4/4 |
| 5. | Mr. Gbenga Oyebode, MFR | Member | 3/4 |
| 6. | Mrs. Virginie Darbo | Member | 3/4 |

### (ii) Nominations, Governance and Remuneration Committee

This Committee has oversight of nominations, governance and remuneration matters. The Committee selects and reviews the skills and experience required on the Board, and meets as the need arises to deliberate and make recommendations on the Board skill mix and diversity, and remuneration of Directors and Senior Executives of the Company in line with the Company's Remuneration Policy and corporate governance best practice.

The Nominations, Governance and Remuneration Committee consists of two (2) Independent Non-Executive Directors and three (3) Non-Executive Directors. The Chairman of the Committee is an Independent Non- Executive Director.

The Company has a Succession Policy, which is reviewed as the need arises, to ensure it remains consistent with the Company's objectives and relevant standards of corporate governance. Board and Committee Charters, including other governance policies are also reviewed as the need arises. The Committee reports on its activities at subsequent Board meetings through official memos and reports.

The Committee held three (3) meetings in the year 2022. The table below shows the attendance of the members of the Committee at meetings held on the following dates:19th April 2022, 21st July 2022 and 20th October 2022.

| S/N | Names | Designation | No. of Meetings |
|---|---|---|---|
| 1. | Mr. Gbenga Oyebode, MFR | Chairman | 3/3 |
| 2. | Mrs Elenda Giwa-Amu | Member | 3/3 |
| 3. | Mrs. Adenike Ogunlesi | Member | 2/3 |
| 4. | Mr. Grant Earnshaw | Member | 3/3 |
| 5. | Mr. Kaspar Theiler* | Member | 2/3 |

** appointed to the Board with effect from 20th April 2022*

# CORPORATE GOVERNANCE REPORT (CONT'D)

### iii) Risk Management & Ethics Committee

The Risk Management and Ethics Committee is saddled with the responsibility of risk management and ensuring that the Company's policy on ethics impacts positively on its business partners and stakeholders such as Customers, Shareholders, Community, Government, Suppliers and the public. The Committee also considers the nature, extent and categories of the risks facing the Company, and the likelihood of such risks materializing, the Company's ability to reduce the incidence and the impact on its business, if the risks do materialize.

The Company has a Board-approved Risk Management Framework. The Committee reviews the adequacy and effectiveness of the risk management controls of the business at least twice a year.

The Risk Management and Ethics Committee Chairperson is an Independent Non-Executive Director. The Chief Risk Officer is a member of Senior Management and has the relevant experience required for the role. The Chief Risk Officer attended all meetings of the Risk Management and Ethics Committee in 2022.

The Committee held two (2) meetings in the year 2022. The table below shows the attendance of the members of the Committee at meetings held on the following dates: 21st July 2022 and 2nd December 2022.

| S/N | Names | Designation | No. of Meetings |
|---|---|---|---|
| 1. | Mrs. Adenike Ogunlesi | Chairperson | 2/2 |
| 2. | Mr. Gbenga Oyebode MFR | Member | 1/2 |
| 3. | Mr. Lolu Alade-Akinyemi | Member | 2/2 |
| 4. | Mrs. Oyinkan Adewale, FCA | Member | 2/2 |
| 5. | Mrs. Virginie Darbo | Member | 2/2 |

### (iv) Property Optimisation Committee

This Committee is charged with the responsibility to ensure the Company's properties are fully optimized. The Committee met twice in the year 2022. The table below shows the attendance of the members of the Committee at meetings held on the following dates: 19th April 2022 and 22nd July 2022.

| S/N | Names | Designation | No. of Meetings |
|---|---|---|---|
| 1. | Mrs. Elenda Giwa-Amu | Chairperson | 2/2 |
| 2. | Mr. Khaled El-Dokani | Member | 2/2 |
| 3. | Mr. Lolu Alade-Akinyemi | Member | 2/2 |
| 4. | Mrs. Adenike Ogunlesi | Member | 2/2 |
| 5. | Mr. Grant Earnshaw | Member | 2/2 |
| 6. | Mr. Kaspar Theiler* | Member | 1/2 |

** appointed to the Board with effect from 20th April 2022*

### (v) Statutory Audit Committee

The Audit Committee is established pursuant to Section 404 of the Companies and Allied Matters Act 2020. In compliance with the provisions of Section 404 (3) of the Companies and Allied Matters Act (CAMA) 2020, the Committee consists of five members, three (3) shareholders and two (2) Non-Executive Directors.

The Committee held five (5) meetings during the year. The table below shows the attendance of the members of the Committee at meetings held on the following dates: 27th January 2022; 24th February 2022; 19th April 2022; 25th July 2022; and 24th October 2022.

| S/N | Names | Designation | No. of Meetings |
|---|---|---|---|
| 1. | Mr. Adebayo Adeleke | Chairman | 5/5 |
| 2. | Mr. Adekanmbi David Ademola | Member | 5/5 |
| 3. | Mr. Adejuwon Timothy Ademola | Member | 5/5 |
| 4. | Mrs. Karine Uzan Mercie | Member | 5/5 |
| 5. | Mrs. Oyinkan Adewale, FCA | Member | 5/5 |

Members of the Audit Committee have qualifications and experience in accounting, finance, banking, tax, risk

# CORPORATE GOVERNANCE REPORT (CONT'D)

management, business administration and law. The Audit Committee reviews the internal auditor's reports quarterly. The Company has an approved internal control framework and compliance is monitored through quarterly updates presented to the Committee. The Audit Committee also reviews the external auditor's management letter, key audit matters and management's response quarterly. The Company has an Internal Audit function, a Board-approved Internal Audit Charter and an approved Non-Audit Services Policy. The Audit Committee meets with the Head of Internal Audit function and the Independent Auditors in the absence of Management.

The Head of Internal Audit is a member of Senior Management with about 14 years of senior management experience in internal audit, control and forensics, within the manufacturing and financial services sectors. The Company also has an annual risk based internal audit plan. The Head of the Internal Audit reports quarterly to the Audit Committee on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and mitigation plans that have been put in place. The Audit Committee and the GMD/CEO undertakes the performance evaluation of the Head of Internal Audit.

The Audit Committee makes recommendations to the Board for the appointment, re-appointment or removal of the Independent Auditors and the Board approves the appointment, re-appointment or removal of Independent Auditors, subject to ratification by the shareholders. The first date of appointment of the Independent Auditors was 19th July 2017.

## 11. BOARD PERFORMANCE EVALUATION

The Company has adopted recommendations of the Nigerian Code on the Evaluation of Board Performance. The 2022 Board Evaluation exercise was facilitated by an external consultant and the required actions and areas of improvement identified during evaluation exercise are being implemented.

A summary of the report of the 2022 Board Evaluation exercise is included on page 38 of this Annual Report.

## 12. INDUCTION & CONTINUING TRAINING FOR DIRECTORS

The Company has a formal induction programme for new Directors and all newly appointed directors are expected to participate in the Company's formal orientation program. This orientation includes presentations intended to familiarize new Directors with the Company's operations, strategic plans, compliance programs, Code of Business Conduct and Ethics, principal officers, internal and independent auditors, shareholding structure, Board plan, health and safety policy, among others.

During the year under review the Company Secretary facilitated an induction session for Mr. Kaspar Theiler, on the 12th May 2022.

The Board has an approved Board Training Policy in accordance with requirements of the Nigerian Code. The Policy sets out the training objectives, coverage, programmes and budget, amongst others. Directors' Training needs are assessed through outcomes of the Board performance and peer assessment evaluations, in line with the Board Training Policy.

## 13. REMUNERATION OF DIRECTORS

The Company has a Remuneration Policy which is reviewed as the need arises. The remuneration paid to Directors is in line with the Company's Remuneration Policy and fully disclosed in this Annual Report (Note 38).

Key Performance Indicators (KPIs) have been set by the Board for Executive Management and performance were measured against these KPIs. The GMD/CEO, Executive Directors, Company Secretary and other Senior Management staff do not receive fees and sitting allowance.

## 14. LEADERSHIP TEAM

The Group Managing Director/CEO has the overall responsibility for executing the Company's long term strategy with a view to creating sustainable value for the shareholders and other stakeholders of the Company. The GMD/CEO manages the day-to-day operations of the Company, with support from other members of Executive Management, and ensures that the Company's operations are consistent with the policies approved by the Board.

The GMD/CEO oversees the Leadership Team and is responsible for ensuring that Management adheres to the approved business ethics and practices as well as complies with applicable laws and regulations.

The GMD/CEO's appointment letter sets out his authority and relationship with the Board. The Company has a policy and requirement for the GMD/CEO to make a conflict of interest declaration on appointment, annually, and/ or as they arise. So far, no conflict has been disclosed. The GMD/CEO is not a Non-Executive Director in any other company or a member of any other Board.

# CORPORATE GOVERNANCE REPORT (CONT'D)

The Leadership Team is made up of the Company's Executives. The Executive Management team holds formal meetings as the need arises to deliberate on critical issues affecting the day-to-day running of the Company. The list of the Leadership Team is available on pages 20 to 21 of this Annual Report.

## 15. DEALING IN COMPANY SECURITIES

The Company formulated an Insider Trading Policy, in line with the provisions of the Investment & Securities Act 2007, the Nigerian Exchange Post-Listing Rules, the Nigerian Code of Corporate Governance and the Holcim Group's Directive on Trade Restriction and Market Disclosure. The policy prohibits Directors, employees and any other person in possession of insider information from dealing in the Company's shares.

The Company's Directors and employees are therefore notified of the prohibition on dealing in the Company's shares during the Non-Authorised Trading Periods, in accordance with the Investment and Securities Act, 2007, the Post Listing Rules of the Nigerian Exchange Group and the Company's policy on Insider Trading.

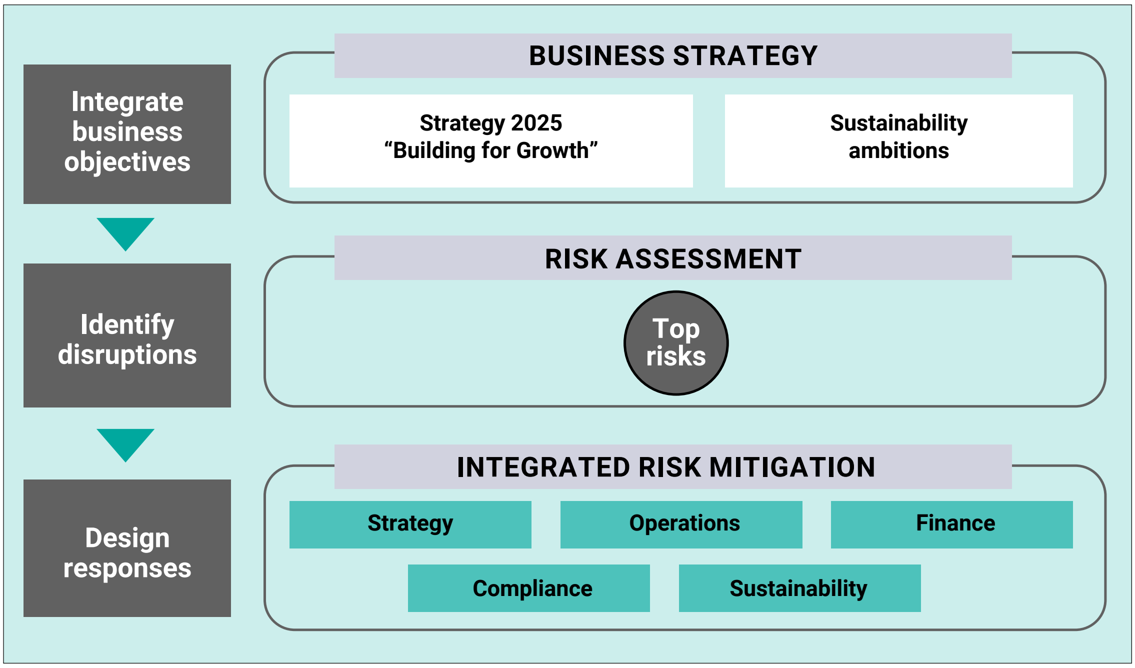
## 16. ENTERPRISE RISK MANAGEMENT

The Board has the responsibility of safeguarding the maintenance of a sound system of internal control and risk management, and regularly receives reports from the Risk Management and Ethics Committee on the effectiveness of the Company's risk management processes to support its strategy and objectives.

The Board defines the Company's risk appetite and limit. Risk assessments and reviews are conducted at least quarterly. The Board receives and reviews risk management reports at least twice annually.

### Enterprise Risk Management Framework

In line with good corporate governance practice, Lafarge Africa Plc has established a sound framework for the management of Enterprise Risk. The Enterprise Risk Framework was developed in accordance with the Company's commitment to establish and sustain risk management in line with international standards and best practices.




Lafarge Africa's Risk Management function primarily ensures minimisation of the divergence between expectation and outcome, thus ensuring the realisation of more predictable results, which can only be achieved through a robust framework, and clearly defined and transparent risk management process.

At Lafarge Africa, we adopt risk assessment and mitigation steps comprising of:

- Risk Identification;
- Risk Assessment/Measurement;
- Risk Treatment/Control;
- Risk Monitoring and Review;
- Risk Reporting; and
- Risk Communication and Consultation

# CORPORATE GOVERNANCE REPORT (CONT'D)

Our risk management process ensures better management, prevention, and compliance with laws and regulations relevant to our business operations.

**Risk Appetite**
Lafarge Africa's risk appetite is defined by the Board to ensure that risk is proactively managed across the Company. The Board regularly reviews the Company's risk appetite to ensure consistency with its strategy, business environment and stakeholders' requirements.

Typically, a significant part of the Company's business involves the acceptance and management of risk. The Company operates a formal risk management framework to ensure that its exposure to all risks are properly identified and managed.

**Risk Oversight**
Lafarge Africa's Risk & Insurance ("R & I") provides a central oversight of risk management to ensure the identification, measurement, monitoring and control of the full spectrum of risks, to minimise adverse outcomes.

The R & I co-ordinates the monitoring and reporting of all risks across the Company. Furthermore, the Internal Audit function regularly audits the R & I, to ensure that all units charged with risk management perform their roles effectively on a continuous basis. In addition, the Internal Audit function tests the adequacy of Internal Controls and makes appropriate recommendations where weaknesses are identified. These measures ensure that identified threats to the objectives of the Company are addressed at the earliest stage.

**Scope of Risks**
The scope of risks directly managed by Lafarge Africa includes strategic, operational, and external, with major focus on Building for Growth and Sustainability ambitions.

**Covid–19 Related Risks**
The Company re-strategized in 2020 and inculcated COVID–19 risks into its Enterprise Risk Management process. Although, COVID–19 restrictions have been relaxed in most countries due to less cases recorded and the use of vaccine, Lafarge Africa is still mindful that COVID–19 is still very much around; this is why its employees are practicing the Hybrid work structure to ensure social distancing are maintained at the workplace.

## 17. COMPLIANCE

**Code of Business Conduct and Ethics**
The Company has robust Code of Business Conduct (CoBC) for Employees and Suppliers. The CoBC reiterates Lafarge Africa and the Holcim Group's commitment to the highest standards of business integrity. The CoBC is applicable to the Company's directors, officers, employees, and other stakeholders, and includes practical steps for implementation of the Company's values.

As a business, we strive to ensure that all stakeholders adhere to the principles outlined in the CoBC, especially in relation to human rights, labour related issues, environment, anti-bribery and corruption. The CoBC is reviewed regularly and its provisions are communicated to all the Company's stakeholders. Refresher trainings are also conducted periodically by the Legal and Compliance Function.

The Management's Ethics and Compliance Committee (ECC) meets quarterly to review the level of compliance with the CoBC, Minimum Control Standards as well as the sufficiency of the Company's compliance framework. The ECC reports to the Board Risk Management and Ethics Committee.

**Conflict of Interest**
The Company has a Conflict of Interest Policy as required by the Nigerian Code. The Conflict of Interest Policy requires Directors and Employees to declare any actual or potential conflict of interest. Directors declare conflict of interest prior to their appointment, and subsequently annually, or as they arise.

The Legal and Compliance Function ensures the continuous monitoring of the Conflict of Interest Declaration disclosures made, in line with the Minimum Control Standards (MCS) requirements.

**Anti-Bribery and Corruption**
The Board of Directors adopted the Anti-Bribery and Corruption Statement below, in accordance with global best

practices and the Company's commitment to upholding the highest standards of ethical business practices. The Anti-Bribery & Corruption Statement provides that:

Lafarge Africa Plc (the "Company") is committed to:

- Conducting its business dealings and relationships in an ethical manner and with the highest level of integrity, in accordance with Holcim Group's Anti-Bribery and Corruption policies and applicable laws;

- Complying with relevant Anti-Bribery and Corruption laws such as Corrupt Practices and other Related Offences Act of 2000 and the UK Bribery Act of 2010 regardless of the business environment we operate in;

- Ensuring the implementation and enforcement of effective systems to counter the risks of bribery and corrupt practices in the form of gifts and entertainment, reciprocal agreements, favours, discounts, travel, education, donations and other forms of improper benefits for which the Company could be held liable;

- Prohibiting the Company as well as third parties acting on its behalf from engaging in fraudulent acts, corrupt practices and all forms of bribery, gratification, attempting to obtain gratification, facilitation payments, and improper payments or benefits to public officials, their family members and other individuals.

Lafarge Africa Plc remains committed to complying with all applicable laws on anti-bribery and corruption and ensuring that all aspects of its business practices reflect this commitment, including engagements with third parties such as suppliers, customers and other stakeholders.

### Third Party Due Diligence and Sanctions

The Company conducts robust third-party due diligence exercise and sanctions screening before engaging in business dealings with potential suppliers and customer. The purpose of this exercise is to ensure that the Company does not inadvertently engage in any activity that contravenes extant laws and regulations or results in damage to the Company's reputation.

### Whistle Blowing Policy

In line with the Company's commitment to conducting its affairs ethically and responsibly, the Company established a culture where employees feel comfortable to raise any concerns about potential and actual breaches of the Company's CoBC. Any breach of the CoBC is reported through the Company's Integrity line available on the Company's website (https://integrity.holcim.com). The Integrity Line is regularly communicated to all stakeholders and monitored quarterly to ensure its functionality.

Lafarge Africa's whistleblowing framework is reliable, accessible and guarantees anonymity and protection of the whistleblower. The Head of the Internal Audit function provides a quarterly report to the Statutory Audit Committee and the Board Risk and Ethics Committee on the number of reported cases, investigations and outcomes of investigated cases.

### Data Protection

The Company has established systems to ensure that personal data collected from employees, customers, suppliers, and other stakeholders, are processed in a manner consistent with the requirements of the Nigerian Data Protection Regulation, 2019 (NDPR). In 2021, the National Information Technology Development Agency (NITDA) listed Lafarge Africa Plc as one of the entities that prioritized data protection requirements.

The Company's Privacy Policy may be accessed on its website at https://www.lafarge.com.ng/privacy-policy. The Privacy Policy prescribes the procedure for processing of personal data by the Company as well as the rights and safeguards afforded to individuals whose information are processed by the Company.

During the year under review, the Company engaged the services of an approved Data Protection Compliance Organization (DPCO) to conduct a data protection audit of all its business units, in line with the requirement of the NDPR. The Company also maintains a Register of Processing Activities (ROPA) that includes details of its personal data processing activities. This register is reviewed and updated periodically.

### Compliance Awareness and Trainings

During the year under review, the Company launched and completed e-learning trainings on the Company's CoBC, Fair Competition, and Gift, Hospitality, Entertainment and Travel (GHET) for employees. Training sessions on other compliance topics also held across all locations in the country.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## 18. SUSTAINABILITY POLICY

The Company has an approved Sustainability Policy. The Sustainability Policy is in line with Holcim Group's policy applicable to the Group companies, including Lafarge Africa Plc. Compliance is monitored through regular updates on sustainability.

## 19. RELATIONSHIP WITH SHAREHOLDERS

The Board and Management of the Company ensures that communication and dissemination of information regarding the operations of the Company to shareholders, stakeholders, potential investors and the general public is timely, accurate and continuous.

At least 21 days prior to the last Annual General Meeting held in 2022, notices, annual reports and other relevant information were dispatched to shareholders. The Board Chairman and the Chairman of the Audit Committee were present to respond to shareholders' enquiries at the 2022 Annual General Meeting. Adequate information were also provided to shareholders through the Company's website and on the Nigerian Exchange Issuers' Portal.

In compliance with the requirements of the Securities and Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market issued on 16th February, 2015 and the Nigerian Exchange Directive issued on 22nd April, 2015 to all listed Companies, the Company has put in place a Complaints Management Framework Policy.

The Complaints Management Framework Policy sets out the broad framework by which the Company and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for the Company's shareholders to send feedback to the Company on matters that affect them.

This Policy is directly accessible on the Company's website; www.lafarge.com.ng. In addition, information on the performance of the Company and other major corporate information are also available to shareholders in particular and the general public on the Company's website:www.lafarge.com.ng

## 20. STAKEHOLDERS' ENGAGEMENT

The Board has adopted the provisions of the Nigerian Code in relation to stakeholders' engagement. The Company has a Stakeholder Management and Communication Policy.

In accordance with the Company's Stakeholder Management and Communication Policy, the Company strives to proactively engage her stakeholders through regular and constructive dialogues, in order to anticipate and manage changes and, ultimately, partner together to create shared value.

The Company considers its stakeholders as those who have influence over its activities as well as those who are impacted by them. The Company interacts and engages in sustained dialogues with a broad spectrum of stakeholders, at all levels, through meetings and investor calls.

The Company has an up to date investor relations portal - https://www.lafarge.com.ng/investor-relations.

## 21. RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out by the Company are set out in Note 37 of the Financial Statements.

BY ORDER OF THE BOARD

**Adewunmi Alode (Mrs.)**
FRC/2018/ICSAN/00000017796
General Counsel & Company Secretary
Dated this 24th day of February 2023

# REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LAFARGE AFRICA PLC

## FOR THE YEAR ENDED DECEMBER 31 2022

**DCSL Corporate Services Limited**
235 Ikorodu Road
Ilupeju
P. O. Box 6315, Marina
Lagos, Nigeria

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Tel: +234 9 4614902-5

**2nd March 2023**

**REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LAFARGE AFRICA PLC FOR THE YEAR-ENDED DECEMBER 31, 2022**

DCSL Corporate Services Limited (DCSL) was engaged as Independent External Consultants by the Board of Lafarge Africa Plc ("Lafarge", "the Company") to carry out an evaluation of the performance of the Board of Directors, that of its Committees, the Board Chairman, and Individual Directors for the year-ended December 31, 2022, in line with the provision of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018** as well as global best practices on Corporate Governance. The appraisal entailed a review of the Company's corporate and statutory documents, minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

The objective of the review was to ascertain the extent of compliance with corporate governance principles and the performance of the Board, in general. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines 2021 (SCGG) and international best practices. The evaluation covered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure that the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes, and regulations to guarantee sustainability. At the conclusion of the evaluation exercise, we confirm that the Board substantially complied with the provisions of the Nigerian Code of Corporate Governance 2018 and SEC Code of Corporate Governance Guidelines and that the activities of the Board and the Company are, to a large extent, in compliance with corporate governance best practice. In our opinion, the Board and individual Directors have displayed commendable commitment to enhancing the Company's growth, developing, and monitoring corporate strategy to achieve sustainable growth.

Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,
**For: DCSL Corporate Services Ltd**

Bisi Adeyemi
**Managing Director**
**FRC/2013/NBA/00000002716**

# SUSTAINABILITY PERFORMANCE REPORT

### CLIMATE & ENERGY

**588kg/tons**

Our total $CO_2$ emission in 2022 was 588kg $CO_2$/t.

We remain committed to implementing our $CO_2$ reduction initiatives and strategies on a continuous basis to enable us to meet our Group target of 550kg $CO_2$/t.

### CIRCULAR ECONOMY

**123,262.11tons**

We used 123,262.11 tons of waste in our operations in 2022, a 34% increase from 2021, at our Ewekoro, Sagamu and Ashaka co-processing plants to promote the circular economy.

In 2022, alternative energy sources like Biomass, incinerated ash and shredded used tyres provided 13.4% of our energy.

### NATURE

**283L/tons**

Water and biodiversity conservation are crucial to our business. We made further progress towards our freshwater withdrawal rate target in 2022. We measured a cement withdrawal rate of 283L/t and a ready-mix withdrawal rate of 191L/m3.

### PEOPLE

**₦ 761 million**

Lafarge Africa Plc is committed to empowering people and community for a better future. We committed a total of ₦2.4 billion towards social investments across all our locations. We had a direct impact on over 126,223 beneficiaries both within and outside of our host communities through our diverse social investment programs and initiatives.

To reinforce Lafarge Africa's sustainability leadership position, we are consistently exploring opportunities for growth, resilience and innovation. We are adopting the four sustainability pillars, which are entrenched and embedded in our efforts. Our sustainability pillars; Climate and Energy, Circular Economy, Nature and People have served as the bedrock for strengthening our sustainability footprints while staying committed to our purpose of **'Building progress for People and the Planet'**, and other ambitions that enable the achievement of the net zero pledge. We are resolute about our 2050 targets, an ambition we continue to make strategic investments in, leveraging collaborative opportunities to drive value and excellence. In line with building resilient and progressive societies, we are partnering with stakeholders and increasing positive footprints in our operating communities and beyond.

In maintaining our corporate positioning and keeping in line with global standards, we benchmark our efforts and initiatives against the 17 United Nations Sustainable Development Goals (SDGs), partnering with organizations and agencies to complement the Federal Government of Nigeria's efforts to create value for our shareholders, customers, employees, and communities.

We remain committed to our sustainability ambitions and strategy of 'Accelerating Green Growth' through innovations in products, building solutions and delivery with improved superior performance.

# SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

## CLIMATE AND ENERGY


**Our Net-Zero Commitment**

As global climate action gains momentum, businesses are setting ambitious targets to decarbonise their operations. The race to net zero will forever change the way in which many companies do business. At Holcim, we are ahead of the curve being the first global building materials company to sign the UNGC's "Business Ambition for 1.5°C initiative", with 2050 targets validated by Science Based Targets initiative (SBTi).

**Holcim's 2050 Net-Zero Targets**
We have set ambitious short- and long-term targets validated by SBTi to accelerate our reduction in CO2 intensity. We will maximize the deployment of existing technologies and will start laying the groundwork for our net zero journey to 2050. We are committed to;

- Reduce our scope 1 and 2 GHG emissions by 95% per ton of cementitious materials by 2050 from a 2018 base year.
- Reduce our absolute scope 3 GHG emissions by 90% by 2050 from a 2020 base year.

In line with our Group's strategic direction, we are approaching net zero in a holistic manner, from automation and artificial intelligence to accelerating green solutions such as increasing the use of alternative materials in our clinker production.

Lafarge Africa has country-specific targets that are continuously monitored, measured and reported appropriately.

**Energy Consumption & Efficiency**
Operating in an energy-intensive industry with significant environmental, health, and safety implications, we have a longstanding commitment to reducing the environmental impact of our operations to the bare minimum by using energy efficient technology.

Lafarge Africa places a high value on the use of non-fossil fuels in our plants. As an alternative fuel, we use mixed industrial waste, agricultural waste, tyre chips, and biomass to power our Kilns. In 2022, we improved our Thermal Substitution Rate (TSR) by 44% compared to prior year – delivering a global TSR of 13.5% compared to 9.4% recorded in 2021. This substitution rate was achieved due to various initiatives that were implemented throughout the year.

At our Ewekoro Power Plant, we reached an agreement with our Operations and Maintenance (O&M) Team to reduce the number of engines run at a time to improve effective usage of all the engines, thus improving our effective utilisation. With the introduction of a new Buzz Barr which is planned for 2023, we will capitalise on similar initiatives in Mfamosing Plant.

The power strategy to go 100% public in Ashaka Plant was another good initiative to minimise the use of old inefficient Diesel Generators. With correctional work done, the National Grid use was maximised to

# SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

95%. Frequent active engagement with the Jos Electricity Distribution Company has also yielded a resultant stable power supply and of good quality. Furthermore, the Ashaka Plant optimised the use of solid fuel combined with alternative fuel (Carbon Black) and replace the high consumption of Liquid Fuel. We are committed to deliver a solid fuel substitution rate of 92% in 2023 while adopting improved alternative fuel usage.

With this strategy, our dependence on power generators (old and unreliable, hence the high cost of power as fuel efficiency is also poor) has become very minimal, especially towards the end of the year, and hence reduce the consumption of very expensive liquid (fossil) fuel.

> **"The Corporate Social Responsibility (CSR) for host communities remains hinged on four thematic areas - Education, Economic Empowerment, Health and Infrastructure."**

New product development positioned us to reduce clinker use for cement manufacturing and we continue to focus on full saturation of our product portfolio that will further enhance the efforts to minimise energy consumption.

One major challenge last year was high energy consumption with a 5% increase in Thermal Energy as a result of low Clinker output due to a Tertiary Air Duct failure in Ewekoro Plant (rectified in Q3 2022) and a 6% increase in Electrical Energy as a result of low output and frequent Kiln stops across the Plants. The impact further compounded by a 6% increase in liquid fuel consumption from gas fluctuations at the Ewekoro Power Plant and five days Accugas (gas vendor) maintenance at Mfamosing Plant.

Looking forward, our commitment is to aggressively drive plant energy efficiency and reduce liquid fuel consumption; fully deploying effective implementation of the 10 golden rules for energy reduction among other initiatives across all our plants.

**Climate change risks**

To meet the climate targets, major changes in production methods have been made over the years through operational advances and technological innovations to ensure that production demands are met while remaining cost effective.

Climate action is pivotal to Lafarge's strategy as we strive for a net-zero built environment. By driving circular construction to reduce, re-use and recycle materials wherever we can and promoting environmental stewardship, we are contributing to the decarbonisation agenda. We are guided by our Group's 2030 targets of:

- Scope 1: Net CO2 of 475Kg/tonne of cementitious material
- Scope 2: CO2 of 13Kg/tonne of cementitious material

We dropped coal usage by 33% in our energy consumption compared to 2021 (10% versus 15% prior year), thereby reducing our carbon footprint in terms of transporting and utilising coal while helping to boost the local economies.

Lafarge Africa has also made plans to gradually reduce our reliance on gas at our Mfamosing plant. The reductions in the first phase (25%) and second phase (50%) are contingent on a successful negotiation with our gas providers.

Progressively, and in alignment with our strategy, we have received approval from our Management to sell excess power capacity to the national grid, allowing us to run our engines more frequently due to an increase in offtakes. As a result, our energy efficiency improves because no energy is wasted.

We are committed to improving our operational efficiency as we work towards our Strategy 2025-Accelerating Green Growth. Lafarge Africa intends to increase CAPEX to improve waste recovery systems and retrofit our plans with improved metering and monitoring systems to keep track of our emissions and energy consumption.

# SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

## CIRCULAR ECONOMY

### GEOCYCLE – A pathway to Sustainable Circular Economy and Decarbonization


Geocycle mission of driving creative innovation in the circular economy space with full transition to a zero-waste future received tremendous boost in 2022. The year witnessed wider interest from various stakeholders desirous of having a sustainable and environmentally friendly solution to their waste issues through co-processing in our cement kilns. Geocycle offer services that are geared towards growing the circular economy model by creating resource from waste that would have ordinarily ended in the various dumpsites.

The new waste treatment and co-processing facility commissioned at Ewekoro in 2020 consolidated operation with pre-processing of various industrial waste materials. Unprecedented volume of waste materials was successfully co-processed through the Platform during the year. The Platform prepares solid waste (biomass, tyre derivatives & industrial waste) into homogenous mix prior to feeding it into cement kiln for complete destruction through co-processing that leaves no residue.

The Holcim group policy of driving decarbonization through provision of sustainable building solution has more than before brought to the front burner the need to co-process various type of wastes in our cement kilns. Our stakeholder local communities have continued to benefit from these sustained activities as they are at the fore front of making these biomass waste available thereby creating much needed jobs and an environmentally friendly society. Over 4,000 jobs are being sustained through this activity that provide huge volumes of biomass to Ewekoro, Sagamu and Ashaka Plants.

The challenges posed by unsustainable waste management practices have continued to draw the attention of regulators and state actors to find a sustainable waste management solution. Geocycle waste management service through co-processing in the cement kilns received close scrutiny from state regulators during the year with several visits by various stakeholders to our Ewekoro facility for on the spot fact finding missions to appreciate the co-processing solution. In addition, we co-sponsored with Ogun State government, Chemical handlers and users workshop. This is to bring sensitization to hazardous waste management in the state and to showcase best practices in industrial waste management. The overall goal of these engagement is to deploy our services to sustainable municipal waste management amongst others in the shortest possible time.

Geocycle waste management services to the Oil & Gas industry, FMCG's, Pharmaceuticals, Tyre Pyrolysis & SME's continue to grow to new frontiers with request for collaboration in waste management service delivery. The need to scale up Geocycle's ability to offer these services in a much wider scale received a boost with a go-ahead approval for the construction of another waste Pre-processing and Co-processing facilities at our Mfamosing Plant in Cross Rivers State. Tentative completion and commissioning is planned for H2 2024. We are strongly of the opinion that our contribution to a cleaner environment and support for hundreds of jobs along the value of waste management will receive exponential growth when the facility is completed and commissioned.

# SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

## NATURE

## OUR COMMITMENT TO THE ENVIRONMENT

For Lafarge Africa, Environmental compliance is key to our business growth and continuity. So, we are committed to continuously improve our environmental performance indicators in order to ensure clean and environmentally friendly operations within the community where we operate.

**2022 Key Environmental performance indicators:**

**29%** reduction in kiln gas emissions and 3.5% reduction in $CO_2$ emission.

**5.6%** reduction in our global specific water consumption against the benchmark for cement operations to 236 liters/ ton Clinker.

**3.5%** reduction in $CO_2$ emission.

About 25 hectares of quarry land was rehabzilitated with over **10,700** young indigenous trees planted across the country as part our commitment to land restoration and reduction in our carbon footprint.

## ENVIRONMENTAL MANAGEMENT SYSTEMS

We are proud to say that all our cement plant operations are certified to ISO 14001:2015 standard which is the Environmental management system. While our ready-mix plant is about 80% completed on the certification road map and awaiting the external audit schedule for Q1 2023 by SON. This has help us as an organization to achieve our environmental goals through consistent review, evaluation, and improvement of our environmental performance indicators. Our focus for 2023 will be to certify our Readymix Plants.

## CLIMATE

We are constantly working with our parent company, Holcim, for solutions aim towards reducing carbon emissions from cement manufacturing processes. Globally in 2022, when compared to 2021, we recorded more than 3.5% reduction in our scope 1 carbon emission footprint to 577 kg net $CO_2$/ton of cementitious material.  For Lafarge, we are not only focusing on carbon emission reduction but also ensuring that our cement plants operate clean stacks. We recorded above 29% reduction against 2021 for $NO_x$ and $SO_2$ gas emissions. We have taken proactive steps with the installation of continuous gas emission monitoring equipment in our Ewekoro and Ashaka plant kiln stacks in order to effectively monitor the gases being emitted from the kilns to ensure compliance to air emission. In 2023, we will complete the installation of the continuous gas emissions monitoring equipment for our Mfamosing plant in Q2 of 2023.

## WATER AND BIODIVERSITY

Nature is the ultimate source of our living. At Lafarge, nature comprises of both water and biodiversity. We are highly committed to protect and preserve our water resources by limiting consumption through recycling, efficient use of water and ensuring that water discharges from operation are within the regulatory limits. In 2022, we reduced specific water consumption by 5.6% to 236 liters/ ton of clinker produced when compared with the target for a dry kiln cement plant.

Also, another key priority for us as a business is to protect and preserve the rich ecosystems (biodiversity) thriving in and around our quarries through robust and progressive quarry rehabilitation plan. We ensure that our quarried lands are reclaimed and planted with trees for the restoration of flora needed to foster wildlife habitat creation.  More than 10,700 indigenous trees were planted in 2022 on about 25 hectares of lands with proper maintenance of over 16,000 young trees.

# SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

## PEOPLE



**Female tilers and truck drivers/2022 community day**

### Partnering for impact

In the year 2022, Lafarge Africa continued to strengthen its partnerships with various private organizations, communities and the government to implement programs and projects which created a positive impact in the lives of people, communities and the planet.

A major highlight of our impact was the training of the pioneer set of the Female Truck Drivers in Mfamosing and Ewekoro and the Female Tilers Program in Lagos in partnership with the Community and not-for-profit organization. Our stakeholder Management framework which is all inclusive and creates opportunities for building more resilient communities using various initiatives; employees support and other sustainability initiatives has created impact and empowerment through our CSR projects to the communities.

The Corporate Social Responsibility (CSR) for host communities remains hinged on four thematic areas - Education, Economic Empowerment, Health and Infrastructure. The Community Development interventions focused on Medical outreaches and programs that improved the health status of members of our host communities, Education Programs that provided scholarship opportunities for Primary, Secondary and Tertiary students from our host communities and supplies of school materials to indigent students, skills acquisition and empowerment program for youths, construction of health centers, schools and community halls for meetings, restoration of dilapidated buildings and care for the elderly within our host communities.

In line with the Sustainable Development Goals (SGDs), we also commemorated United Nations (UN) commemorative days such as the International Day of the Girl Child, Literacy Day, Women and Girls in Science, World Environment Day and other commemorative days to drive growth and development in the communities.

### Volunteering

In 2022, our volunteering Group was rebranded and more employees were enrolled into the Legacy Champions. We also Launched our Social contributor's initiative and assigned all volunteers to various "Give Back" initiatives centered on Education and Empowerment, Health and Safety. A total of 1,255 hours were achieved on the "Give Back" initiatives, bringing the total volunteering hours for 2022 to 4,721.

## SOCIAL INVESTMENTS

Through diverse social investment programmes and initiatives in our communities across Nigeria in 2022, Lafarge Africa Plc invested **₦760,991,016** and had a direct impact on over 126,223 people both within and beyond our host communities.

The breakdown of our investments is as follows:

| | |
|---|---|
| CSR Interventions | ₦751,241,016 |
| Donations and Sponsorships | ₦9,750,000 |
| Total | ₦760,991,016 |

Lafarge Africa prepares and submits a detailed Sustainability Report to the Nigerian Exchange annually. The report is also published on the Company's website.

# FINANCIAL STATEMENTS

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

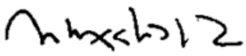
## IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

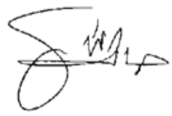
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Separate financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the ability of the Group and the Company to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



**Adebode Adefioye**
Chairman
FRC/2017/IODN/00000016512
24th February 2023



**Khaled Abdel Aziz El Dokani**
Group Managing Director/CEO
FRC/2020/003/00000020762
24th February 2023

# AUDIT COMMITTEE'S REPORT

In accordance with Section 404(7) of the Companies and Allied Matters Act 2020 (CAMA), we, the members of the Audit Committee have reviewed and considered the Auditors' Report required to be made in accordance with Section 404 (7) of CAMA and report as follows:

i. The scope and planning of the internal audit for the year ended 31 December 2022 are satisfactory. The internal audit programs reinforce the Company's internal control system;

ii. The scope and planning of statutory audit for the year ended 31 December 2022 are satisfactory;

iii. Having reviewed the Independent Auditors' management letter on accounting procedures and internal controls, we are satisfied with management's responses thereto; and

iv. The accounting and reporting policies for the year ended 31 December 2022 are in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In our opinion, the scope and planning of the audit for the year ended 31 December 2022 were adequate and Management's responses to the Independent Auditors' findings were satisfactory.

**Mr. Adebayo Adeleke**
FRC/2013/NIM/00000002317
Chairman, Audit Committee
Dated 23rd February 2023

## AUDIT COMMITTEE MEMBERS

| | | |
|---|---|---|
| Mr. Adebayo Adeleke | - | Shareholder Representative |
| Mr. David Adekanmbi | - | Shareholder Representative |
| Mr. Timothy Adejuwon | - | Shareholder Representative |
| Mrs. Oyinkan Adewale, FCA | - | Independent Non-Executive Director |
| Mrs. Karine Uzan Mercie | - | Non-Executive Director |

# STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director and Chief Financial Officer, hereby certify the financial statements of Lafarge Africa Plc for the year ended 31 December 2022 as follows:

(a) That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022.

(b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

(c) That the audited consolidated and separate financial statements and all other financial information included in the financial statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2022.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the principal officer by other officers of the companies, during the year ended 31 December 2022.

(e) That we have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of the audited consolidated and separate financial statements, and certify that the Group's internal controls are effective as of that date.

(f) That 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 action with regard to significant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Group's Independent Auditors and Audit Committee:

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

   (ii) there is no fraud that involves management or other employees who have a significant role in the Group's internal control.

**Khaled Abdel Aziz El Dokani**
Group Managing Director
FRC/2020/003/00000020762
24th February 2023

**Lolu Alade-Akinyemi**
Chief Financial Officer
FRC/2020/001/00000020157
24th February 2023

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LAFARGE AFRICA PLC

**KPMG Professional Services**
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated and separate financial statements of Lafarge Africa Plc ("the Company") and its subsidiary (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

### 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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

KPMG

## Inventory Obsolescence Allowance ("Off-Spec" Clinker)

Refer to significant accounting policies (Note 2.3.10 and 3.1) and Inventories note (Note 20) in the consolidated and separate financial statements.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group and Company have significant volume of 'off-spec' clinker arising from power fluctuations and other factors in the production process. The off-spec clinker has accumulated across all plants and continue to suffer deterioration due to weather impact and low consumption.<br><br>Consequently, management has performed an obsolescence assessment of the off-spec clinker across all plants and made an allowance of ₦5.6 billion and ₦1.3 billion for Group and Company respectively in the consolidated and separate financial statements.<br><br>This is considered a key audit matter due to the significance of the amount and the judgement exercised by management in the determination of the allowance. | Our audit procedures included the following:<br><br>● We made inquiries of management and evaluated management's processes and procedures for the identification of off-spec clinker within its production process.<br><br>● We obtained management's assessment of obsolescence allowance and checked the basis of the amount recognized as obsolescence allowance of off-spec' clinker including the mathematical accuracy.<br><br>● We challenged management's judgment applied in determining the amount of obsolescence allowance by checking the reasonableness of the pattern of production and consumption of offspec clinker applied by management in its assessment of its obsolescence allowance.<br><br>● We considered the adequacy of the Group and Company's disclosures in relation to the allowance for obsolescence for inventories in line with the relevant accounting standard. |

## Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Audit Committee's Report, Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements, Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements and Other National Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. Other information also includes the Notice of Annual General Meeting, Financial Highlights, Chairman's Statement, Corporate Governance Report, Board of Directors' Profile, Leadership Team, Sustainability Report, Corporate Social Responsibility Report, amongst others (together "Outstanding reports"), which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 consolidated and separate 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 have 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 Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

KPMG

## Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, 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 consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of 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 Group and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors and Audit Committee 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.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

KPMG

We also provide the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors and Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate 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

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.*

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

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.

**Mohammed Adama, FCA**
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
28 February 2023
Lagos, Nigeria

# CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2022

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Notes | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Revenue | 6 | **373,244,938** | 293,086,183 | **340,633,999** | 262,299,071 |
| Cost of sales | 7 | **(177,023,232)** | (150,505,605) | **(151,382,023)** | (125,134,689) |
| **Gross profit** | | **196,221,706** | 142,580,578 | **189,251,976** | 137,164,382 |
| Selling and distribution costs | 8 | **(89,576,446)** | (56,976,373) | **(83,521,144)** | (51,681,590) |
| Administrative expenses | 9 | **(22,577,685)** | (21,158,470) | **(21,608,227)** | (20,057,257) |
| Other income | 10 | **557,487** | 687,092 | **356,754** | 414,912 |
| Impairment loss on trade receivables | 11 | **(431,169)** | (25,603) | **(407,136)** | (24,461) |
| **Operating profit** | | **84,193,893** | 65,107,224 | **84,072,223** | 65,815,986 |
| Finance income | 12.1 | **1,533,892** | 1,740,253 | **1,433,993** | 1,900,445 |
| Finance costs | 12.2 | **(15,983,084)** | (5,276,309) | **(13,969,013)** | (4,750,213) |
| **Net finance costs** | 12.2 | **(14,449,192)** | (3,536,056) | **(12,535,020)** | (2,849,768) |
| Share of profit from joint venture accounted for using the equity method | 17.2 | **-** | 683,310 | **-** | 683,310 |
| **Profit before minimum tax** | 14 | **69,744,701** | 62,254,478 | **71,537,203** | 63,649,528 |
| Minimum tax expense | 13.1 | **(1,433,556)** | (466,769) | **(1,263,252)** | (466,769) |
| **Profit before tax** | | **68,311,145** | 61,787,709 | **70,273,951** | 63,182,759 |
| Income tax expense | 13.2 | **(14,663,689)** | (10,784,160) | **(15,241,491)** | (9,726,847) |
| **Profit for the year** | | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| **Other comprehensive income:** | | | | | |
| **Items that are or may be reclassified subsequently to profit or loss:** | | | | | |
| Share of OCI from joint venture accounted for using the equity method | 17.2 | **-** | (292,558) | **-** | (292,558) |
| Reclassification of share of OCI from joint venture accounted for using the equity method | | **-** | 307,169 | **-** | 307,169 |
| | | **-** | 14,611 | **-** | 14,611 |
| **Items that will not be reclassified to profit or loss:** | | | | | |
| Remeasurements of defined benefit obligations | 31.3 | **2,385** | 170,864 | **2,385** | 170,864 |
| Related tax | 13.3 | **(716)** | (51,259) | **(716)** | (51,259) |
| | | **1,669** | 119,605 | **1,669** | 119,605 |
| **Other comprehensive Income, net of tax** | | **1,669** | 134,216 | **1,669** | 134,216 |
| **Total comprehensive income** | | **53,649,125** | 51,137,765 | **55,034,129** | 53,590,128 |
| Profit attributable to : | | | | | |
| - Owners | | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| | | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| Total comprehensive income for the year is attributable to: | | | | | |
| - Owners | | **53,649,125** | 51,137,765 | **55,034,129** | 53,590,128 |
| | | **53,649,125** | 51,137,765 | **55,034,129** | 53,590,128 |
| **Earnings per share attributable to the ordinary equity holders of the Company:** | | | | | |
| Basic earnings per share (Kobo) | 25 | **333** | 317 | **342** | 332 |
| Diluted earnings per share (Kobo) | 25 | **333** | 317 | **342** | 332 |

The accompanying notes form an integral part of these consolidated and separate financial statements.

# CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2022

| | Notes | GROUP 31 Dec 2022 ₦'000 | GROUP 31 Dec 2021 ₦'000 | COMPANY 31 Dec 2022 ₦'000 | COMPANY 31 Dec 2021 ₦'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 15 | **341,458,500** | 338,721,748 | **276,696,636** | 273,704,651 |
| Intangible assets | 16 | **91,182** | 713,746 | **91,181** | 578,322 |
| Investments in subsidiaries | 17.1 | **-** | - | **63,906,867** | 63,906,867 |
| Other assets | 19 | **60,851,702** | 35,535,403 | **57,167,949** | 32,699,442 |
| Deferred tax assets | 13.7 | **2,031,419** | 15,292,417 | **2,031,419** | 15,292,417 |
| **Total non-current assets** | | **404,432,803** | 390,263,314 | **399,894,052** | 386,181,699 |
| **Current assets** | | | | | |
| Inventories | 20 | **53,043,073** | 45,010,127 | **41,896,205** | 36,656,494 |
| Trade and other receivables | 21 | **6,353,825** | 7,196,754 | **43,149,848** | 32,377,152 |
| Other assets | 19 | **18,462,277** | 15,275,129 | **17,326,786** | 14,734,768 |
| Other financial assets | 18.1 | **21,000** | 19,035,529 | **14,335** | 18,975,911 |
| Cash and cash equivalents | 22 | **118,398,495** | 50,057,345 | **106,901,117** | 45,128,099 |
| **Total current assets** | | **196,278,670** | 136,574,884 | **209,288,291** | 147,872,424 |
| **Total assets** | | **600,711,473** | 526,838,198 | **609,182,343** | 534,054,123 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Loans and borrowings | 28 | **1,530,387** | 2,482,049 | **529,850** | 709,077 |
| Employee benefit obligations | 31.1 | **2,410,849** | 2,165,592 | **2,042,726** | 1,821,942 |
| Deferred income | 30 | **1,094,611** | 1,356,534 | **1,012,843** | 1,123,575 |
| Provisions | 29.1 | **2,718,463** | 2,103,557 | **1,389,034** | 1,193,962 |
| Deferred tax liabilities | 13.7 | **8,472,328** | 9,116,700 | **-** | - |
| **Total non-current liabilities** | | **16,226,638** | 17,224,432 | **4,974,453** | 4,848,556 |
| **Current liabilities** | | | | | |
| Loans and borrowings | 28 | **35,062,463** | 20,805,272 | **33,255,574** | 19,846,836 |
| Deferred income | 30 | **261,924** | 326,474 | **110,732** | 110,732 |
| Trade and other payables | 32 | **80,797,500** | 59,815,744 | **90,874,972** | 72,702,195 |
| Contract liabilities | 33 | **46,019,970** | 43,361,653 | **40,410,912** | 36,414,142 |
| Provisions | 29.2 | **2,353,466** | 2,918,962 | **2,108,367** | 2,571,809 |
| Current tax liabilities | 13.5 | **3,887,507** | 3,824,984 | **3,171,530** | 2,210,383 |
| **Total current liabilities** | | **168,382,830** | 131,053,089 | **169,932,087** | 133,856,097 |
| **Total liabilities** | | **184,609,468** | 148,277,521 | **174,906,540** | 138,704,653 |
| **EQUITY** | | | | | |
| Share capital | 23 | **8,053,899** | 8,053,899 | **8,053,899** | 8,053,899 |
| Share premium | 24 | **435,148,731** | 435,148,731 | **435,148,731** | 435,148,731 |
| Retained earnings | | **227,028,432** | 189,487,103 | **184,751,152** | 145,824,819 |
| Other reserves arising on business combination and re-organisations | 27 | **(254,129,057)** | (254,129,056) | **(193,677,979)** | (193,677,979) |
| **Capital and reserves attributable to owners** | | **416,102,005** | 378,560,677 | **434,275,803** | 395,349,470 |
| **Total equity** | | **416,102,005** | 378,560,677 | **434,275,803** | 395,349,470 |
| **Total equity and liabilities** | | **600,711,473** | 526,838,198 | **609,182,343** | 534,054,123 |

The accompanying notes form an integral part of these consolidated and separate financial statements.

These financial statements were approved and authorised for issue by the board of directors on 24th February 2023 and were signed on its behalf by:

**Adebode Adefioye**
Chairman
FRC/2017/IODN/00000016512

**Khaled Abdel Aziz El Dokani**
Group Managing Director
FRC/2020/003/00000020762

**Lolu Alade-Akinyemi**
Chief Financial Officer
FRC/2020/001/00000020157

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - GROUP

## FOR THE YEAR ENDED 31 DECEMBER 2022

| Group | Notes | Attributable to equity holders of the parent | | | | | |
|---|---|---|---|---|---|---|---|
| | | Share capital ₦'000 | Share premium ₦'000 | Retained earnings ₦'000 | Foreign currency translation reserve ₦'000 | Other reserves arising on business combination and re-organisations ₦'000 | Total equity ₦'000 |
| **Balance at 1 January 2021** | | 8,053,899 | 435,148,731 | 170,579,540 | (14,611) | (254,129,057) | 359,638,502 |
| Profit for the year | | - | - | 51,003,549 | - | - | 51,003,549 |
| Other comprehensive income (Net of tax) | | - | - | 119,605 | 14,611 | - | 134,216 |
| **Total comprehensive income** | | - | - | 51,123,154 | 14,611 | - | 51,137,765 |
| **Transactions with owners:** | | | | | | | |
| Dividends declared | 32.3 | - | - | (32,215,591) | - | - | (32,215,591) |
| **Total transaction with owners** | | - | - | (32,215,591) | - | - | (32,215,591) |
| **Balance at 31 December 2021** | | 8,053,899 | 435,148,731 | 189,487,103 | - | (254,129,057) | 378,560,676 |
| **Balance at 1 January 2022** | | **8,053,899** | **435,148,731** | **189,487,103** | **-** | **(254,129,057)** | **378,560,676** |
| Profit for the year | | **-** | **-** | **53,647,456** | **-** | **-** | **53,647,456** |
| Other comprehensive income (Net of tax) | | **-** | **-** | **1,669** | **-** | **-** | **1,669** |
| **Total comprehensive income** | | **-** | **-** | **53,649,125** | **-** | **-** | **53,649,125** |
| **Transaction with owners:** | | | | | | | |
| Dividends declared | 32.3 | **-** | **-** | **(16,107,796)** | **-** | **-** | **(16,107,796)** |
| **Total transaction with owners** | | **-** | **-** | **(16,107,796)** | **-** | **-** | **(16,107,796)** |
| **Balance at 31 December 2022** | | **8,053,899** | **435,148,731** | **227,028,432** | **-** | **(254,129,057)** | **416,102,005** |

The accompanying notes form an integral part of these consolidated and separate financial statements.

# SEPARATE STATEMENTS OF CHANGES IN EQUITY - COMPANY

## FOR THE YEAR ENDED 31 DECEMBER 2022

| Company | Notes | Attributable to equity holders of the parent | | | | | |
|---|---|---|---|---|---|---|---|
| | | Share capital ₦'000 | Share premium ₦'000 | Retained earnings ₦'000 | Foreign currency translation reserve ₦'000 | Other reserves arising on business combination and re-organisations ₦'000 | Total equity ₦'000 |
| **Balance at 1 January 2021** | | 8,053,899 | 435,148,731 | 124,464,893 | (14,611) | (193,677,979) | 373,974,933 |
| Profit for the year | | - | - | 53,455,912 | - | - | 53,455,912 |
| Other comprehensive income (Net of tax) | | - | - | 119,605 | 14,611 | - | 134,216 |
| **Total comprehensive income** | | - | - | 53,575,517 | 14,611 | - | 53,590,128 |
| **Transactions with owners:** | | | | | | | |
| Dividends declared | 32.3 | - | - | (32,215,591) | - | - | (32,215,591) |
| **Total transaction with owners** | | - | - | (32,215,591) | - | - | (32,215,591) |
| **Balance at 31 December 2021** | | 8,053,899 | 435,148,731 | 145,824,819 | - | (193,677,979) | 395,349,470 |
| **Balance at 1 January 2022** | | **8,053,899** | **435,148,731** | **145,824,819** | **-** | **(193,677,979)** | **395,349,470** |
| Profit for the year | | **-** | **-** | **55,032,460** | **-** | **-** | **55,032,460** |
| Other comprehensive income (Net of tax) | | **-** | **-** | **1,669** | **-** | **-** | **1,669** |
| **Total comprehensive income** | | **-** | **-** | **55,034,129** | **-** | **-** | **55,034,129** |
| **Transaction with owners:** | | | | | | | |
| Dividends declared | 32.3 | **-** | **-** | **(16,107,796)** | **-** | **-** | **(16,107,796)** |
| **Total transaction with owners** | | **-** | **-** | **(16,107,796)** | **-** | **-** | **(16,107,796)** |
| **Balance at 31 December 2022** | | **8,053,899** | **435,148,731** | **184,751,152** | **-** | **(193,677,979)** | **434,275,803** |

The accompanying notes form an integral part of these consolidated and separate financial statements

# CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | Group 31 Dec 2022 ₦'000 | Group 31 Dec 2021 ₦'000 | Company 31 Dec 2022 ₦'000 | Company 31 Dec 2021 ₦'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Profit after tax | | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| **Adjustments to reconcile Profit for the year to net cash flows:** | | | | | |
| Depreciation | 15.6 | **24,784,252** | 31,431,791 | **21,924,220** | 28,738,637 |
| Impairment losses on property, plant and equipment | 15 | **-** | 4,802,130 | **-** | 4,802,130 |
| Amortization of intangible assets | 16 | **622,564** | 1,225,464 | **487,141** | 945,942 |
| Other non-cash items | 34.3 | **520,027** | (127,187) | **379,564** | (8,656) |
| Net unrealized foreign exchange loss/(gain) | | **6,333,440** | (2,159,652) | **5,883,675** | 2,205,030 |
| Finance costs | 12.2 | **2,854,507** | 5,276,309 | **2,309,766** | 4,750,213 |
| Finance income | 12.1 | **(1,533,892)** | (1,740,253) | **(1,433,993)** | (1,900,445) |
| Share of profit from joint venture | | **-** | (683,310) | **-** | (683,310) |
| Income tax expense | 13.2 | **14,663,689** | 10,784,160 | **15,241,491** | 9,726,847 |
| Minimum tax expense | 13.1 | **1,433,556** | 466,769 | **1,263,252** | 466,769 |
| Provisions and net movement on employee benefits | 34.1.6 | **(591,033)** | 174,103 | **(473,991)** | 49,874 |
| Change in net working capital | 34.1 | **1,398,885** | (25,108,002) | **(7,021,382)** | (22,231,195) |
| **Cash flows generated from operations** | | **104,133,451** | 75,345,871 | **93,592,203** | 75,907,688 |
| Income taxes paid | 13.6 | **(3,418,812)** | (2,728,831) | **(2,283,314)** | (1,031,973) |
| **Net cash flows generated from operating activities** | | **100,714,639** | 72,617,040 | **91,308,889** | 74,875,715 |
| **Cash flows from investing activities** | | | | | |
| Acquisition of property, plant and equipment | 15.1 | **(23,253,811)** | (22,575,810) | **(21,070,812)** | (17,131,293) |
| Interest received | 12.3 | **1,486,857** | 527,487 | **1,386,958** | 485,883 |
| Interest income received from related party | 17.5 | **-** | 985,897 | **-** | 985,897 |
| Proceeds from disposal of investment in joint venture (net of earn-out obligation paid) | 17.5 | **-** | 1,211,419 | **-** | 1,211,419 |
| Loan to related party received | 17.5 | **-** | 1,944,751 | **-** | 1,944,751 |
| Proceeds from sale of property, plant and equipment | 34.2 | **68,869** | 15,647 | **68,868** | 15,647 |
| **Net cash flows used in investing activities** | | **(21,698,085)** | (17,890,609) | **(19,614,986)** | (12,487,696) |
| **Cash flows from financing activities** | | | | | |
| Interest paid | 12.4 | **(2,165,640)** | (5,223,520) | **(1,829,869)** | (4,833,576) |
| Dividend paid to equity holders of the company | 32.4 | **(14,535,057)** | (27,310,008) | **(14,535,057)** | (27,310,008) |
| Proceeds from loans and borrowings | 28.4 | **27,125,828** | 15,717,396 | **25,517,934** | 15,203,057 |
| Repayment of lease liabilities | 28.4 | **(3,275,995)** | (7,208,823) | **(3,275,995)** | (6,952,724) |
| Repayment of loans and borrowings | 28.4 | **(18,700,161)** | (36,045,934) | **(16,669,658)** | (35,180,135) |
| **Net cash used in financing activities** | | **(11,551,025)** | (60,070,889) | **(10,792,645)** | (59,073,386) |
| **Net increase/(decrease) in cash and cash equivalents** | | **67,465,529** | (5,344,458) | **60,901,258** | 3,314,633 |
| Cash and cash equivalents at the beginning of the year | | **48,625,884** | 52,056,685 | **43,696,638** | 38,483,421 |
| Effects of exchange rate changes on cash and cash equivalents held | | **670,140** | 1,913,657 | **666,279** | 1,898,584 |
| **Cash and cash equivalents at the end of the year** | 22.2 | **116,761,553** | 48,625,884 | **105,264,175** | 43,696,638 |

The accompanying notes form an integral part of these consolidated and separate financial statements.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

## 1 Reporting Entity

Lafarge Africa PLC (Lafarge Africa) was incorporated in Nigeria on 26 February, 1959 and commenced business on 10 January 1961. The Company, formerly known as Lafarge Cement WAPCO Nigeria PLC changed its name after a special resolution was passed by the shareholders at an Annual General Meeting held on Wednesday 9 July 2014. The change of name became effective with the acquisition of shares in Lafarge South Africa Holdings (Proprietary) Limited (LSAH), United Cement Company of Nigeria Limited (UNICEM), AshakaCem PLC (AshakaCem) and Atlas Cement Company Limited (Atlas). The Company's corporate head office is situated at 27B Gerrard Road, Ikoyi, Lagos which is the same as the registered office.

Lafarge Africa is in the business of manufacturing and marketing of cement and other cementitious products such as Ready-Mix Concrete, Aggregates, Fly-Ash etc. On July 15, 2016, Lafarge S.A. France and Holcim Limited, Switzerland, two large global players, merged to form LafargeHolcim Group based in Zurich, Switzerland. Consequently Lafarge Africa is now a subsidiary company of LafargeHolcim (now Holcim Group, by virtue of a name change resolution passed by the shareholders at an Annual General Meeting held on 4 May 2021).

The term 'Group' as used in this report refers to Lafarge Africa, its subsidiaries and investment in a joint venture. Lafarge Africa Group comprises of Lafarge Africa Plc and its subsidiaries below:

AshakaCem Limited was incorporated in Nigeria on 7 August 1974 as a private limited liability company and was converted to a public limited liability company in July 1990. In April 2017, the shareholders of AshakaCem, at an Extraordinary General Meeting (EGM), passed a resolution to delist the company from the official list of the Nigerian Stock Exchange (NSE). Subsequent to the delisting of the company, the shareholders of AshakaCem, held a Court-ordered EGM on October 23, 2017, at which a Scheme to re-organize the issued share capital of the company was passed. The resolution passed at the court ordered meeting was subsequently filed and sanctioned by the Federal High Court and the sanction officially gazetted. At the conclusion of the scheme, Lafarge Africa became 100% owner of the issued share capital of AshakaCem. AshakaCem's main business is the manufacturing and marketing of cementitious materials. AshakaCem has a production capacity of 1.0mtpa.

Wapsila Nigeria Limited was incorporated in Nigeria on 1 December 2014 as a wholly owned subsidiary of Lafarge Africa Plc. Its main business is the generation and sale of power. The Company was yet to commence operations as at 31 December 2022.

In November 2019, through a shareholder meeting ordered by the Federal High Court and the resolutions sanctioned by it, Lafarge Readymix Nig Ltd. was merged into Lafarge Africa effectively from 30th November, 2019.The Court Sanction was registered with the Corporate Affairs Commission and published in the official Gazette of the Federal Government of Nigeria.

On January 20, 2021, the Board of Directors of Lafarge Africa Plc approved the disposal of the Company's investment in Continental Blue Investment Ghana Ltd (CBI) a company involved in development, financing and operation of a cement grinding plant in Ghana via, a sale of the total equity interest held by the Company in CBI to a third party, F. Scott AG. The sale was concluded on June 30, 2021.

The Group's subsidiaries are as stated below;

| 31 December 2022 | 31 December 2021 |
|---|---|
| AshakaCem Limited | AshakaCem Limited |
| Wapsila Nigeria Limited | Wapsila Nigeria Limited |

## 2.1 Basis of accounting

### i) Compliance with IFRS

These consolidated and separate financial statements of Lafarge Africa Plc have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011. The consolidated and separate financial statements were authorised for issue by the Group and Company's board of directors on 24 February 2023. Details of the Group and Company's accounting policies, including changes thereto are included in Note 2.2.2.

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### ii) Basis of measurement

The consolidated and separate financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- non-derivative financial instruments – initially at fair value and subsequently at amortized cost using effective interest rate
- derivative financial instruments – measured at fair value
- long term employee benefit obligation (gratuity and long service awards)- present value of the obligation
- inventory - lower of cost and net realisable value
- lease liabilities- measured at present value of future lease payments
- Provisions - Present value of the obligation

## 2.1 (b) Functional and presentation currency

The financial information is presented in Naira, which is the Company's functional currency, and all values are rounded to the nearest thousand (₦'000), except where otherwise indicated. The accounting policies are applicable to both the Company and Group.

## 2.2 Use of judgements and accounting estimates

In preparing these consolidated and separate financial statements, management has made judgments, estimates and assumptions that affect the application of the Group/Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Judgements**
Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is disclosed in Note 3.1

**Assumptions and estimation uncertainties**
Information about assumptions and estimation of uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is disclosed in Note 3.2.

**Measurement of Fair value**
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following note:
Note 2.3.11 – Financial Instrument.

## 2.2.1 Going concern

These consolidated and separate financial statements have been prepared on a going concern basis. Management believes that the going concern assumption is appropriate.

## 2.2.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group and Company have opted not to adopt early, the new or amended standards in preparing these consolidated and separate financial statements.

**A. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)**

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group and Company accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group and Company will recognise a separate deferred tax asset and a deferred tax liability.

**B. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

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**C. Other standards**

The following new and amended standards are not expected to have material impact on the Group's consolidated and separate financial statements.

| Standard/Interpretation | | Date issued by IASB | Effective date Period beginning on or after | Summary of the requirements and impact assessment |
|---|---|---|---|---|
| Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). | Disclosure of Accounting Policies | February 2021 | 1 January 2023 | Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements), continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include:<br>● requiring companies to disclose their material accounting policies instead of their significant accounting policies;<br>● clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and<br>● clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The standard is effective for annual periods beginning on or after 1 January 2023. |

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**C. Other standards(Contd.)**

| Standard/Interpretation | | Date issued by IASB | Effective date Period beginning on or after | Summary of the requirements and impact assessment |
|---|---|---|---|---|
| Definition of Accounting Estimates (Amendments to IAS 8). | Amendments to Accounting Estimates | Feb-21 | 1 January 2023 | The amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively.<br><br>The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The standard is effective for annual periods beginning on or after 1 January 2023. |

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**C. Other standards(Contd.)**

| Standard/Interpretation | | Date issued by IASB | Effective date Period beginning on or after | Summary of the requirements and impact assessment |
|---|---|---|---|---|
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | September 2024 | The effective date of this amendment has been deferred indefinitely by the IASB. | The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.<br><br>When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely |
| Amendment to IFRS 16 | Lease Liability in a Sale and Leaseback | September 2022 | 1 January 2024 | Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. |

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## 2.3 Introduction to summary of significant accounting policies

The note provides a list of the significant accounting policies adopted in the preparation of these consolidated and separate financial statements to the extent they have not already been disclosed in other notes. These policies have been consistently applied to all the years presented unless otherwise stated.

## 2.3.1 Principles of consolidation and equity accounting

The financial statements of the consolidated subsidiaries were used to prepare the consolidated financial statements as at the parent company's reporting date.

### i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### ii) Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

**Common control business combination and re-organization:**
Business combination in which all of the entities or businesses are ultimately controlled by the Group both before and after the combination and that control is not transitory are recognised as common control transaction. The Group uses the acquisition method to account for business combinations involving entities ultimately controlled by Holcim group. A business combination is a "common control combination" if:

- The combining entities are ultimately controlled by The same party both before and after The combination and
- Common control is not transitory

### iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions.

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### iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### v) Interest in equity-accounted investees

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Interests in the joint ventures are derecognised when the Group loses joint control over the joint venture. Any resulting gain or loss is recognised in profit or loss.

### vi) Impairment assessment of investments in subsidiary

Interests in the equity of subsidiaries not attributable to the parent are reported in equity as non-controlling interest. Profits or losses attributable to non-controlling interests are reported as profit or loss attributable to non-controlling interests.

In the separate financial statements of Lafarge Africa Plc (the Company) investments in subsidiaries is recognised at cost and dividend income is recognised in other income in the statement of profit or loss.

The Group assesses at the end of each reporting period whether there is objective evidence that an investment is impaired. An investment is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment and has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

### vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 2.3.2 Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

The Group recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

The Group determine the transaction price as the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties (e.g. VAT) or discounts and rebate given.

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### 2.3.3 Investment income

Investment income arising on dividends from subsidiaries and un-listed investments are usually classified as part of other income. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

### 2.3.4 Finance income and finance costs

The Group's finance income and finance costs include: interest income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss. Foreign exchange gains and losses on transactions are presented in net finance income or finance expense.

Finance expense is recognised in profit or loss and would normally include; bank charges, interest expense calculated using the effective interest rate method, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and the unwinding of the effect of discounting provisions.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 2.3.5 Government grants

The Group's government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The unwinding of the discount is recognised each year as a finance cost in the profit or loss.

### 2.3.6 Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or or in other comprehensive income in which case in which case the related tax is recognised in other comprehensive income.

The Group had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

**a) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

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The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on Taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting ALL expenses and taxes from revenue earned by the Group during the Year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

**b) Minimum tax**

The Group and Company are subject to the Company Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of the gross turnover of the Group and Company). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

The Group offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

**c) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## 2.3.7 Leases

### A) Definition of a lease

At inception of a contract, the Group 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.

### B) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected to separate non-lease components from lease component and account for the non-lease components in operating profit on a cost incurred basis.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 January 2021, where the basis for determining future lease payments changed as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

In the cash flow statement, the portion of the lease payments reflecting the repayment of the lease liability and interest portion is presented within financing activities.

**Short-term leases and leases of low-value assets**
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 2.3.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGUs.

An impairment loss is recognised if the carrying amount of an asset or CGUs exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.3.9 Cash and cash equivalents

Cash and cash equivalents as shown in the statement of financial position comprise cash in hand, bank balances, deposit held at call with banks and time deposits which are readily convertible to cash with original maturities of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group/Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

### 2.3.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of raw materials, other supplies (consumables) and purchased finished goods is the actual cost less amount written down to net realizable value while the value of spare parts is the weighted average cost less amount written down to net realizable value.

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In the case of manufactured inventories and work in progress, these are valued based on actual cost of goods produced, including depreciation, and certain distribution costs (i.e. freight for transportation to terminals and warehouses and bagging costs). However, for convenience, standard cost can be used during the year (and only during the year) for the valuation of own products (work in progress and finished products) under the condition that the standard cost closely approximates actual cost.

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

An obsolescence allowance is provided for slow moving and obsolete inventory items.

## 2.3.11 Financial instruments

## 2.3.11.1 Financial assets

### Non-Derivative financial assets:

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not measured at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**ii. Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at Fair Value Through Other Comprehensive Income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Business Model - Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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### Financial assets - Subsequent measurement and gains and losses

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. |

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

## 2.3.11.2 Financial liabilities

### Non-Derivative financial liabilities:

**i) Classification**

Financial liabilities are classified as financial liabilities at amortised cost. The Group has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

**a) Financial liabilities at amortised cost**

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short term nature while borrowings are spilt into current and non current liabilities. Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

**ii) Recognition & measurement**

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

**Interest rate benchmark reform**

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

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- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

**Derecognition**

Financial liabilities are derecognised when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

## 2.3.11.3 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 2.3.11.4 Impairment of financial assets

### (i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to the 12 month ECLs.

The ECLs for trade and other receivables are estimated using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group has identified the change in annual gross domestic product (GDP) to be the most relevant factors and accordingly adjusts the historical loss rates if a significant change in GDP is expected within the next 12 months.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## 2.3.12 Property, plant and equipment

### Recognition and measurement

Items of property, plant, and equipment are recognised as assets when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The Group require minimum levels of inventory to be able to operate the plant, such inventories were capitalised in line with recognition criteria in IAS 16.16(b) as costs that are necessary to bring the assets to its working condition.

### Subsequent expenditure

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 Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

### Depreciation:

Spares expected to be in use for more than one year with material values as determined by the Directors are capitalised and depreciated over a period of 3-10 years.

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Construction work in progress (Construction expenditure) is not depreciated, it is carried at cost less any recognised impairment losses. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the company accounting policies. All such assets, once available for use are capitalised within the appropriate class of property, plant and equipment and subjected to the applicable depreciation rate in the year they are used.

Freehold or leasehold land with indefinite extension is not depreciated by the Group. Depreciation of property, plant and equipment is calculated using the straight-line method to write down the cost to the residual values over the estimated useful lives, as follows:

| | Useful life |
|---|---|
| Leasehold land | Depreciated over the lease term (years) |
| Buildings | 20-35 |
| Production plant | 20-30 |
| Capitalised spares | 3-10 |
| Furniture | 3-10 |
| Motor vehicles | 3-10 |
| Computer equipment | 4-10 |
| Ancillary plant and machinery | 10-20 |

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

### Impairment

Property, plant and equipment 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 the estimated selling price in the ordinary course of business less costs to sell and value in use.

### Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2.3.13 Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

## 2.3.14 Intangible assets

### Initial recognition and measurement

In accordance with criteria set in IAS 38, intangible assets are recognised only if:

- they are identifiable,
- they are controlled by the entity because of past events, and
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

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Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

### Subsequent recognition

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### Amortisation methods and periods

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

### Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

### Software

Intangible assets primarily include software costs and are amortized using the straight-line method over their estimated useful life of 3 years which is based on management estimation. This expense is recorded in administrative expenses based on the function of the underlying assets. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

### Mining rights

Mining rights acquired as a form of lease are capitalized at its cost less any accumulated amortization and any accumulated impairment losses. These Mining rights are depleted based on volume extracted and not on a useful life basis. Amortization of these operating intangible assets are classified as amortization of Intangible Assets cost.

## 2.3.15 Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those asset, until such time as the assets are substantially ready for their intended use or sale.

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. Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalization rate is applied.

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## 2.3.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

The amount of provisions are at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.3.16.1 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group and company, or a present obligation that arise from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

### 2.3.16.2 Site restoration provisions

In accordance with the Group's policy and general commitment to respect the environment, the Group has a constructive obligation to restore all quarry sites. The provision for such site restoration is recorded in Statement of financial position and charged to finance cost on commencement of mining activities. This provision is recorded over the operating life of the quarry on the basis of production levels and depletion rates. The estimated future costs for known restoration requirements are determined on a site-by-site basis.

Site restoration costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are included in profit or loss.

## 2.3.17 Exploration and evaluation assets

### (a) Pre-licence costs

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

### (b) Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource

Exploration and evaluation activity includes:

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- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the Group concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

## 2.3.18 Employee benefits

### a) Short-term employee benefits

This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. These benefits are expensed in the period in which the associated services are rendered by employees of the Group. A liability is recognised for the amount that is expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group ensures that each employee is paid his/her annual leave entitlement at the end of each reporting period.

### b) Other long-term employee benefits (Long service award)

The group provides employees with two (2) Long Service Award Benefits. The benefits are gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

### c) Post-employment benefit obligations

**i) Defined contribution scheme**

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. For Nigerian entities, the employee contributes 8% while the Group contributes 10% of the emoluments (basic, housing and transport allowance). The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. The contributions are recognised as employee benefit expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**ii) Defined benefit plans**

The Group discontinued the gratuity scheme for all qualifying staff on 31 December 2015. Prior to this time, the Group operates defined benefit plans for certain qualifying employees. The scheme includes retirement gratuity benefits. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The balance in the statement of financial position represents the remaining liability due to existing qualifying staffs that are still with the Group until the reporting period.

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The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings.

### d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## 2.3.19 Share capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.3.20 Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remain unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of the Companies and Allied Matters Act (CAMA), 2020, are included in the profits that should be distributed to the other shareholders of the Company.

## 2.3.21 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.

## 2.3.22 Prepayment for gas

The Company has a gas supply contract which requires that on a monthly basis, an agreed sum, known as the base amount, is paid by the Company for the supply of a specified quantity of gas in future, regardless of the Company's ability to utilise the gas. Any excess of the base amount over the value of actual gas utilised is recognised as prepaid gas assets, which is included in other assets in the financial statements.

Prepaid gas are capitalised when it is determined that the company will be able to utilise such amounts in the future. As the prepaid gas assets are utilised, they are expensed and recorded in the income statement in the period in which they are utilised.

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## 2.3.23 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. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated for the purpose of preparing the statement.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts but excluding any form of restricted cash which is not readily available for business operations.

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

## 2.3.24 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit or loss of equity accounted investees and income taxes.

## 2.3.25 Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

## 2.3.26 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

## 3 Accounting estimates and judgments

The preparation of financial statements requires management to make certain judgments, accounting estimates and assumptions that affect the amounts reported for the assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of the estimation means that actual outcomes could differ from those estimates. The key source of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below.

## 3.1 Judgements

### i) Leases

The judgement on whether the Group is reasonably certain to exercise extension options is disclosed in Note 2.3.7.

### ii) Third party claim and litigation

The Group has applied judgement in determining an outflow of resources regarding third party claim and litigation. A litigation provision is recognized if, and only if:

The Group has a present obligation (legal or constructive) to another party as a result of a past event It is probable (i.e. likelihood greater than 50%) that an outflow of resources to settle the obligation will be required and a reliable estimate can be made of the amount of the obligation. The likelihood of the third party claim and litigation was based on solicitor's assessment. See further details in Note 36.

### iii) Deferred tax assets

The Group also applied jugdement in determining the recognition of deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The future taxable profit assessment is based on historical trend analysis and financial performance forecast. See further details in Note 13.6

### iv) Inventories

The Group and Company have significant volume of 'off-spec' clinker arising from power fluctuations and other factors in the production process. The off-spec clinker has accumulated across all plants and continue to suffer deterioration due to weather impact and low consumption.

Judgment is applied in determining the amount of write down by assessing the reasonableness of the pattern of production and consumption of off-spec clinker in the determination of its obsolescence allowance. See Note 20 for further details.

## 3.2 Assumptions

### 3.2.1 Site restoration provisions

Where the Group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the site. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the site. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities. See further details in Note 29.1.

### 3.2.2 Trade receivables

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in profit or loss, the Group makes significant assumptions in line with the expected credit loss model of IFRS 9 in determining the weighted average loss rate. See further details in Note 21.3.

### 3.2.3 Staff gratuities and Long Service awards

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions.

All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bond in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The rates of mortality assumed for employees are the rates published in 67/70 ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK. Further information is provided in Note 31.

### 3.2.4 Impairment of Property, Plant and Equipment

The Group assesses its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date.

The assessment for impairment entailed comparing the carrying value of the cash generating unit with its recoverable amount. The recoverable amount is based on an estimate of the value in use of these assets. Value in use is determined on the basis of discounted estimated future net cash flows. During the year, the Group recognised impairment loss in respect of Sagamu Plant. The value in use for all impaired items during the period is estimated to be zero as the Group does not expect any positive net cash flows arising from use or abandonment. These assets cannot be sold or transferred. See further details in Notes 15.2.

### 3.2.5 Exploration and evaluation

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and

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assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

### 3.2.6 Provisions and Contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especially relating to key assumptions about the likelihood and magnitude of an outflow of resources. See note 2.3.16.

### 3.2.7 Prepayment for Gas

The Company has a gas supply contract with a vendor. The contract requires that a base amount is paid (take-or-pay (TOP)) by the Company regardless of its gas utilisation. The excess of the base amount over the value of actual gas utilised is recognised in the financial statements as prepayment for gas. Based on the contract, any quantities of Gas forming part of the TOP quantity paid for by the Company and not utilised during a contract year shall be designated as Make-up Gas (MUG) and the Company shall be entitled to utilise the remaining balance of the accrued Make-up Gas in any subsequent period in the chronological order in which it is accrued during the contract period. See note 19.1.

The Company performs an assessment to determine whether the prepaid gas asset is recoverable within the contract period. This assessment contains elements based on judgments and assumptions that are impacted by future production volumes, forecasted growth rates and gas utilisation levels as well as the ability of the vendor to fulfill its obligations under the terms of the contract. There is a risk that actual outcomes may differ from expectations. Further details are included in Note 19.1 on Prepayment for Gas.

### 4 Financial risk management

The Group has exposure to credit, liquidity and market risk arising from financial instruments.

### 4.1 Financial risk management framework

The Corporate Investment and Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit and liquidity risk.

The Group seeks to minimise the effects of these risks by aligning to parent company's policies as approved.

Compliance with policies and established controls is reviewed by the internal auditors on a continuous basis.

The Corporate Investment and Treasury function reports monthly to the executive committee and periodically to the Risk and Ethics committee of the Board of Directors, for monitoring and implementation of mitigating policies.

The Internal Audit Department provides an independent assurance of the risk frame work. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

### (a) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The credit limit is determined on an individual customer basis and as approved by the Credit Committee based on a assessment of each customer's credit worthiness. Bank guarantees are required from every customer that is granted credit.

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The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the executive committee periodically.

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Impairment loss on trade receivables arising from contracts with customers | **431,169** | 25,603 | **407,136** | 24,461 |
| | **431,169** | 25,603 | **407,136** | 24,461 |

The average credit period on sales of goods is 30 days. No interest is charged on trade receivable by the Group.

Before accepting a new customer with no historical information on their credit worthiness, the Group ensures that bank guarantees are in place in order to limit its credit risk exposure. The bank guarantees mitigates 90% of the credit risk exposure.

The Group does not have a single customer with a contribution of more than 5% of the total balance of trade receivables.

The financial assets of the Group and Company are stated below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Trade receivables - Net (Note 21) | **3,259,867** | 2,512,634 | **4,114,126** | 7,152,841 |
| Other receivables (Note 21) | **3,093,958** | 4,684,120 | **39,035,722** | 25,224,311 |
| Other financial assets (Note 18) | **21,000** | 19,035,529 | **14,335** | 18,975,911 |
| Cash and cash equivalents (Note 22) | **118,398,495** | 50,057,345 | **106,901,117** | 45,128,099 |
| | **124,773,320** | 76,289,628 | **150,065,300** | 96,481,162 |

Financial assets exclude prepayment, VAT receivable and withholding tax recoverable as these are non financial assets.

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## 4.1 Financial risk management framework continued

**Trade receivables:**

Trade receivables are further broken down into:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Neither past due nor impaired (Stage 1)** | | | | |
| 0 - 30 days | **1,759,720** | 1,228,225 | **2,882,794** | 5,934,218 |
| **Past due but not impaired (Stage 2)** | | | | |
| The ageing of amounts past due but not impaired is as follows: | | | | |
| 31 - 60 days | **960,439** | 415,314 | **914,282** | 413,797 |
| 61 - 90 days | **145,714** | 381,162 | **117,357** | 372,585 |
| Over 90 days | **393,994** | 487,934 | **199,693** | 432,241 |
| | **1,500,147** | 1,284,410 | **1,231,332** | 1,218,623 |
| **Impaired (Stage 3)** | | | | |
| Credit impaired | **711,665** | 280,495 | **676,568** | 269,431 |
| Total amount exposed to credit risk (Gross) | **3,971,532** | 2,793,130 | **4,790,694** | 7,422,272 |
| Impairment allowance (Note 21.3) | **(711,665)** | (280,495) | **(676,568)** | (269,431) |
| Total amount exposed to credit risk (Net) | **3,259,867** | 2,512,635 | **4,114,126** | 7,152,841 |

Management believes that the unimpaired amounts that are past due by less than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings as available.

The Management made assessment of the related party receivables and believes that the unimpaired amounts are still collectible in full based on the payment behaviour and extensive analysis of the related party credit risk and applicable credit ratings.

**Impairment of trade receivables**

An impairment analysis is performed at each reporting date and the calculation is based on actual incurred historical data adjusted for current conditions and future expectations. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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Reconciliation of changes in the allowance for credit losses impairment account is disclosed in Note 21.3.

**Expected credit loss assessment for corporate customers as at 31 December 2022**

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

**Expected Credit Loss Assessment**

**Group**

| As at 31 December 2022 | Weighted average loss rate | Gross carrying amount ₦'000 | Loss Allowance ₦'000 | Credit Impaired |
|---|---|---|---|---|
| 0-30 | 0.05% | 1,759,724 | 928 | No |
| 31-60 | 0.09% | 960,439 | 886 | No |
| 61-90 | 3.43% | 145,714 | 4,998 | No |
| Over 90days | 63.75% | 1,105,655 | 704,853 | Yes |
| | | 3,971,532 | 711,665 | |

**Group**

| As at 31 December 2021 | Weighted average loss rate | Gross carrying amount ₦'000 | Loss Allowance ₦'000 | Credit Impaired |
|---|---|---|---|---|
| 0-30 | 0.05% | 1,263,326 | 598 | No |
| 31-60 | 0.11% | 392,685 | 443 | No |
| 61-90 | 0.19% | 376,230 | 715 | No |
| Over 90days | 36.63% | 760,889 | 278,739 | Yes |
| | | 2,793,130 | 280,495 | |

**Company**

| As at 31 December 2022 | Weighted average loss rate | Gross carrying amount ₦'000 | Loss Allowance ₦'000 | Credit Impaired |
|---|---|---|---|---|
| 0-30 | 0.03% | 2,882,796 | 928 | No |
| 31-60 | 0.10% | 914,282 | 886 | No |
| 61-90 | 4.26% | 117,356 | 4,998 | No |
| Over 90days | 76.43% | 876,260 | 669,756 | Yes |
| | | 4,790,694 | 676,568 | |

**Company**

| As at 31 December 2021 | Weighted average loss rate | Gross carrying amount ₦'000 | Loss Allowance ₦'000 | Credit Impaired |
|---|---|---|---|---|
| 0-30 | 0.04% | 1,164,563 | 417 | No |
| 31-60 | 0.11% | 391,167 | 443 | No |
| 61-90 | 0.19% | 367,653 | 698 | No |
| Over 90days | 38.59% | 694,133 | 267,873 | Yes |
| | | 2,617,516 | 269,431 | |

The Group holds bank guarantees to cover its credit risks associated with its financial assets.

## (c) Credit quality of bank balances

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Group mitigates its credit risk of its bank balance and derivative financial assets by selecting and transacting with reputable banks with good credit ratings and a history of strong financial performance. Bank ratings are based on Fitch national long term rating (2022). The credit ratings of the banks with the bank balances are shown below.

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Cash at bank** | | | | |
| AAA | **29,349,132** | - | **24,470,002** | - |
| AA+ | **5,730,692** | - | **5,578,812** | - |
| AA- | **6,671,322** | - | **6,581,734** | - |
| A+ | **15,891,758** | 25,467,239 | **15,038,783** | 23,081,662 |
| A | **56,191,728** | - | **52,290,216** | - |
| BBB | **1,612,364** | - | **605,743** | - |
| B | **-** | 19,503,950 | **-** | 18,682,878 |
| B- | **1,313,130** | 3,654,695 | **698,884** | 1,932,098 |
| | **116,760,126** | 48,625,884 | **105,264,174** | 43,696,638 |
| Restricted cash at bank (note 22.1) | **1,636,942** | 1,431,461 | **1,636,942** | 1,431,461 |
| Total cash and cash equivalents | **118,397,068** | 50,057,345 | **106,901,116** | 45,128,099 |

"AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

'BBB' ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

'BB' ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met.

'B' ratings indicate that material credit risk is present but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Impairment on cash and cash equivalent has been measured on a 12- month expected loss basis and reflects the short maturities of the exposure.

The Group uses a similiar approach for assessment of ECL for cash and cash equivalent to those used for debt securities.

The impairment loss was immaterial and hence not recognised (2021: nil) at year end.

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## 4.1.2 Liquidity risk

### (a) Management of liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group maintains the following lines of credit:
- ₦1.16 trillion overdraft facilities that is unsecured. Interest payable ranges from 13% - 20.5%.
- ₦211.78 billion revolving credit facilities that is unsecured and can be drawn to meet short-term financing needs. Interest payable ranges from 0.5% - 20.5%.

### (b) Maturities of financial liabilities

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

| **Group**<br>**31 December 2022** | **Carrying amount ₦'000** | **Contractual cash flows ₦'000** | **0 - 12 months ₦'000** | **1-3 years ₦'000** | **Above 3 years ₦'000** |
|---|---|---|---|---|---|
| **Non derivative financial instruments** | | | | | |
| Interest-bearing loans and borrowings | **36,592,850** | **37,094,112** | **35,225,306** | **1,460,080** | **408,726** |
| Trade and other payables** | **72,186,550** | **72,186,550** | **72,186,550** | **-** | **-** |
| | **108,779,400** | **109,280,662** | **107,411,856** | **1,460,080** | **408,726** |

| **Group**<br>**31 December 2021** | **Carrying amount ₦'000** | **Contractual cash flows ₦'000** | **0 - 12 months ₦'000** | **1-3 years ₦'000** | **Above 3 years ₦'000** |
|---|---|---|---|---|---|
| Non derivative financial instruments | | | | | |
| Interest-bearing loans and borrowings | 23,287,321 | 24,436,825 | 21,170,578 | 2,624,326 | 641,921 |
| Trade and other payables** | 53,594,594 | 53,594,594 | 53,594,594 | - | - |
| | 76,881,915 | 78,031,419 | 74,765,172 | 2,624,326 | 641,921 |

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## 4.1.2 Liquidity risk continued

| Company<br>31 December 2022 | Carrying amount ₦'000 | Contractual cash flows ₦'000 | 0 - 12 months ₦'000 | 1-3 years ₦'000 | Above 3 years ₦'000 |
|---|---|---|---|---|---|
| **Non derivative financial instruments** | | | | | |
| Interest-bearing loans and borrowings | **32,786,221** | **33,165,929** | **32,338,149** | **419,054** | **408,726** |
| Trade and other payables** | **82,821,034** | **82,821,034** | **82,821,034** | **-** | **-** |
| | **115,607,255** | **115,986,963** | **115,159,183** | **419,054** | **408,726** |

| Company<br>31 December 2021 | Carrying amount ₦'000 | Contractual cash flows ₦'000 | 0 - 12 months ₦'000 | 1-3 years ₦'000 | Above 3 years ₦'000 |
|---|---|---|---|---|---|
| Non derivative financial instruments | | | | | |
| Interest-bearing loans and borrowings | 19,661,211 | 20,526,615 | 19,124,295 | 984,959 | 417,361 |
| Trade and other payables** | 66,467,386 | 66,467,386 | 66,467,386 | - | - |
| | 86,128,597 | 86,994,001 | 85,591,681 | 984,959 | 417,361 |

The amounts disclosed in the tables above are the contractual undiscounted cash flows of the liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

** Trade and other payables exclude VAT payable, advance rent received, customer deposits and withholding tax payable as these are non financial instruments.

## 4.1.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to interest rate risk and foreign exchange rate risk.

### (I) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

**Exposure to interest rate risk**

The Group is not exposed to fair value interest rate risk because its fixed interest rate borrowings are not carried at fair value. Interest rate risk is managed by the Group by maintaining an appropriate mix between fixed and floating borrowings. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

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## 4.1.3 Market risk continued

**Fixed interest rate:**

The financial liabilities with fixed interest rates are shown below;

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| *Naira denominated fixed rates* | | | | |
| Power Fund (7%, 5%) | **2,145,449** | 3,268,947 | **430,356** | 903,795 |
| Lease liabilities (7.95% - 17.8%) | **1,986,729** | 3,013,586 | **1,919,868** | 2,615,561 |
| Short term bank loans (7% - 12.0%  p.a) | **32,460,672** | 17,004,788 | **30,435,997** | 16,141,855 |
| | **36,592,850** | 23,287,321 | **32,786,221** | 19,661,211 |
| **Total** | **36,592,850** | 23,287,321 | **32,786,221** | 19,661,211 |

## (ii) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Group is exposed to risks resulting from fluctuations in foreign currency exchange rates. A change in the value of any such foreign currency could have an effect on the Group's cash flow and future profits. The Group is exposed to exchange rate risk as a result of cash balances denominated in a currency other than the Naira.  The Group is mainly exposed to USD.

**Exposure to currency risk**

Below are the foreign denominated currencies the Group is exposed to;

| | 31 Dec 2022 | | 31 Dec 2021 | |
|---|---|---|---|---|
| | Average rates | Closing rates | Average rates | Closing rates |
| US Dollars | **632.45** | **757.78** | 512.58 | 505.00 |
| Euros | **666.17** | **809.08** | 580.23 | 571.65 |
| GBP (Great Britain Pounds) | **782.06** | **936.00** | 690.59 | 680.38 |
| ZAR | **38.80** | **44.73** | 32.12 | 31.65 |
| CHF | **662.76** | **821.00** | 558.99 | 550.73 |

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## 4.1.3 Market risk continued

**Foreign currency denominated balances**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **US Dollar** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | **6,505** | 38,044 | **6,409** | 38,044 |
| **Financial liabilities** | | | | |
| Borrowings | **(30,802)** | (24,487) | **(28,881)** | (24,487) |
| Trade and other payables | **(10,275)** | (42,708) | **(5,813)** | (37,865) |
| Net financial (liabilities)/asset | **(34,572)** | (29,151) | **(28,285)** | (24,308) |
| **Euro** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | **22** | - | **22** | - |
| **Financial liabilities** | | | | |
| Borrowings | **(10,255)** | (5,734) | **(9,864)** | (5,734) |
| Trade and other payables | **(13,381)** | (17,085) | **(12,307)** | (16,466) |
| Net financial (liabilities)/asset | **(23,614)** | (22,819) | **(22,149)** | (22,200) |
| **GBP** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | **2,517** | - | **2,517** | - |
| **Financial liabilities** | | | | |
| Borrowings | **(2,395)** | (633) | **(2,125)** | (633) |
| Trade and other payables | **(263)** | (472) | **(150)** | (440) |
| Net financial (liabilities)/asset | **(141)** | (1,105) | **242** | (1,073) |
| **CHF** | | | | |
| **Financial assets** | **577** | - | **609** | - |
| Trade and other receivables | **577** | - | **609** | - |
| **ZAR** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | **518** | - | **518** | - |
| Trade and other receivables | **530** | - | **530** | - |
| **Financial liabilities** | | | | |
| Borrowings | **-** | (1,587) | **-** | (1,587) |
| Trade and other payables | **(431)** | (1,337) | **-** | (859) |
| Net financial (liabilities)/asset | **617** | (2,924) | **1,048** | (2,446) |

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**Sensitivity analysis for foreign exchange risk**

The following table details the Group's sensitivity to a 21%, increase and decrease in Naira against US dollar, Euro, Great Britain's Pound (GBP), Swiss Franc (CHF) and South Africa Rand (ZAR). Management believes that a 21% movement in either direction is reasonably possible at the 31 December 2022. A positive number indicates an increase in profit where Naira strengthens by 21% against the currencies. For a 21% weakening of Naira against the currencies there would be an equal and opposite impact on profit, and the balances below would be negative.

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

The sensitivity of the Group's earnings to fluctuations in USD, Euro, GBP, CHF and ZAR exchange rates is reflected by varying the exchange rates as shown below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **US Dollar** | | | | |
| Increase in exchange rate by 21% | **(4,591,605)** | (3,137,836) | **(3,756,606)** | (2,616,531) |
| Decrease in exchange rate by 21% | **4,591,605** | 3,137,836 | **3,756,606** | 2,616,531 |
| **Euro** | | | | |
| Increase in exchange rate by 21% | **(3,303,513)** | (2,780,452) | **(3,098,565)** | (2,705,028) |
| Decrease in exchange rate by 21% | **3,303,513** | 2,780,452 | **3,098,565** | 2,705,028 |
| **GBP** | | | | |
| Increase in exchange rate by 21% | **(23,130)** | (160,252) | **39,770** | (155,611) |
| Decrease in exchange rate by 21% | **23,130** | 160,252 | **(39,770)** | 155,611 |
| **ZAR** | | | | |
| Increase in exchange rate by 21% | **5,028** | (19,723) | **8,540** | (16,499) |
| Decrease in exchange rate by 21% | **(5,028)** | 19,723 | **(8,540)** | 16,499 |

## 4.2 Capital management

### 4.2.1 Risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings', as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

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The gearing ratios at 31 December 2022 and 31 December 2021 were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Total borrowings | **36,592,850** | 23,287,321 | **33,785,424** | 20,555,913 |
| Less: Cash and cash equivalents excluding bank overdrafts | **118,398,495** | 50,057,345 | **106,901,117** | 45,128,099 |
| Net (cash)/ debt | **(81,805,645)** | (26,770,024) | **(73,115,693)** | (24,572,186) |
| Total equity | **416,102,005** | 378,560,676 | **434,275,803** | 395,349,470 |
| **Total capital** | **334,296,360** | 351,790,652 | **361,160,110** | 370,777,284 |
| **Gearing ratio** | **(0.20)** | (0.07) | **(0.17)** | (0.06) |

## 4.3 Accounting classification and fair values

IFRS 13 specifies a hierachy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable.  Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

At the reporting date, the Directors believe that the book values of the financial assets and liabilities, except borrowings, are not materially different from the fair value.

Trade and other receivables, cash and cash equivalents and trade and other payables are the Group's short term financial instruments. Management believes that the impact of discounting will not be material and therefore their carrying values are reasonable approximations of their fair values, accordingly no further fair value disclosures have been made. The fair values were determined on the same basis in prior year and there have been no transfers between levels during the year.

| | Group | | | |
|---|---|---|---|---|
| | 31 December 2022 | | 31 December 2021 | |
| | Fair value ₦'000 | Carrying Value ₦'000 | Fair value ₦'000 | Carrying Value ₦'000 |
| **Financial Assets** | | | | |
| *Financial Assets classified at amortised cost* | | | | |
| Trade and other receivables | **6,353,825** | **6,353,825** | 7,196,754 | 7,196,754 |
| Financial assets | **21,000** | **21,000** | 6,324,051 | 6,324,051 |
| Cash and cash equivalents | **118,398,495** | **118,398,495** | 50,057,345 | 50,057,345 |
| **Financial Liabilities** | | | | |
| *Financial liabilities classified as amortised cost* | | | | |
| Trade and other payables** | **72,186,550** | **72,186,550** | 53,594,594 | 53,594,594 |
| Borrowings | **36,592,850** | **36,592,850** | 23,287,321 | 23,287,321 |

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| | Company | | | |
|---|---|---|---|---|
| | 31 December 2022 | | 31 December 2021 | |
| | Fair value ₦'000 | Carrying Value ₦'000 | Fair value ₦'000 | Carrying Value ₦'000 |
| **Financial Assets** | | | | |
| *Financial Assets classified at amortised cost* | | | | |
| Trade and other receivables | **43,149,848** | **43,149,848** | 32,377,152 | 32,377,152 |
| Financial assets | **6,321,709** | **6,321,709** | 6,321,709 | 6,321,709 |
| Cash and cash equivalents | **106,901,117** | **106,901,117** | 45,128,099 | 45,128,099 |
| **Financial Liabilities** | | | | |
| *Financial liabilities classified at amortised cost* | | | | |
| **Trade and other payables | **82,821,034** | **82,821,034** | 66,467,386 | 66,467,386 |
| Borrowings | **33,785,424** | **33,785,424** | 20,555,913 | 20,555,913 |

** Trade and other payables exclude VAT payable, advance rent received, customer deposits and withholding tax payable as these are non financial instruments.

## 4.4 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

## 5 Segment Reporting

The Board of Directors (BOD) are the chief operating decision makers who reviews the internal reporting to assess performance and allocate resources. The Directors have identified operating segments based on these internal reports. The BOD considers business from the range of product perspective.

The BOD assesses the performance of the operating segments based on a measure of total assets and liabilities, revenue, gross profit and other directly attributable expenses. These operating segments are:"

| | |
|---|---|
| Cement | Established for the business of cement production. This segment has three major business operations within Nigeria which are the South-West operations, the Southern Nigeria operations and the Northern Nigeria operations. |
| Readymix products | Established for the business of concrete. This segment has operations currently in Lagos, Abuja, Port-Harcourt, and Ewekoro and is expected to expand to other states of Nigeria in the near future. |

The segments identified meet the recognition criteria as a reportable segment under IFRS 8.

The amounts provided to the Board of Directors with respect to total income and expense are measured in a manner consistent with that of the consolidated and separate financial statements. Assets are allocated based on the use of the segment and the physical location of the asset.

*Deferred tax assets and liabilities are not assessed for the purpose of segment reporting.

No single customer contributed revenue in excess of 10% of the total revenue of any segmentnt

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 5.1 Segment Information by Product line

| | External revenue | | Gross revenue | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Cement | **361,963,358** | 285,122,310 | **363,186,556** | 287,217,004 |
| Readymix and other products | **11,281,580** | 7,963,873 | **11,281,580** | 7,286,693 |
| **Total** | **373,244,938** | 293,086,183 | **374,468,136** | 294,503,697 |

Revenue from internal customers of ₦5.2 billion (2021:₦2.1 billion) has been eliminated on consolidation.

| | 31 Dec 2022 | | |
|---|---|---|---|
| | Cement ₦'000 | Readymix and others ₦'000 | Total ₦'000 |
| **Revenue** | **361,963,358** | **11,281,580** | **373,244,938** |
| Production cost of sales | **(170,994,640)** | **(6,028,592)** | **(177,023,232)** |
| Other Income | **523,861** | **33,626** | **557,487** |
| Other expenses | **(111,508,835)** | **(1,076,465)** | **(112,585,300)** |
| **Operating profit** | **79,983,744** | **4,210,149** | **84,193,893** |

| | 31 Dec 2021 | | |
|---|---|---|---|
| | Cement ₦'000 | Readymix and others ₦'000 | Total ₦'000 |
| **Revenue** | 285,122,310 | 7,963,873 | 293,086,183 |
| Production cost of sales | (146,261,647) | (4,229,988) | (150,491,635) |
| Other Income | 591,932 | 95,160 | 687,092 |
| Other expenses | (77,367,702) | (792,744) | (78,160,446) |
| **Operating profit** | 62,084,893 | 3,036,301 | 65,121,194 |

| | 31 Dec 2022 | | |
|---|---|---|---|
| | Cement ₦'000 | Readymix and others ₦'000 | Total ₦'000 |
| **Statement of financial position by segment:** | | | |
| Property, plant & equipments | **339,306,616** | **2,151,884** | **341,458,500** |
| Other non current assets | **61,735,514** | **1,238,789** | **62,974,303** |
| Current assets | **194,384,241** | **1,894,429** | **196,278,670** |
| **Total assets** | **595,426,371** | **5,285,102** | **600,711,473** |
| | | | |
| **Non current liabilities** | **(15,663,234)** | **(563,404)** | **(16,226,638)** |
| Current liabilities | **(165,851,750)** | **(2,531,080)** | **(168,382,830)** |
| **Net assets/(liabilities)** | **413,911,387** | **2,190,618** | **416,102,005** |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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| | 31 Dec 2021 | | |
|---|---|---|---|
| | Cement ₦'000 | Readymix and others ₦'000 | Total ₦'000 |
| **Statement of financial position by segment:** | | | |
| Property, plant & equipments | 336,591,212 | 2,130,535 | 338,721,747 |
| Other non current assets | 50,473,816 | 1,067,750 | 51,541,566 |
| Current assets | 135,456,725 | 1,118,159 | 136,574,884 |
| **Total assets** | 522,521,753 | 4,316,444 | 526,838,197 |
| | | | |
| **Non current liabilities** | (17,465,854) | 241,422 | (17,224,432) |
| Current liabilities | (132,881,182) | 1,828,093 | (131,053,089) |
| **Net assets/(liabilities)** | 372,174,717 | 6,385,959 | 378,560,676 |

## 6 Revenue

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Sale of goods | **373,244,938** | 293,086,183 | **340,633,999** | 262,299,071 |

The following is an analysis of revenue by product:

| | Timing of revenue recognition | Group | | Company | |
|---|---|---|---|---|---|
| | | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Cement | Point in time | **361,963,358** | 285,122,310 | **329,469,788** | 254,338,450 |
| Aggregate and concrete | Point in time | **10,937,235** | 7,625,283 | **10,937,235** | 7,625,283 |
| Other products (Note 6.1) | Point in time | **344,345** | 338,590 | **226,976** | 335,338 |
| | | **373,244,938** | 293,086,183 | **340,633,999** | 262,299,071 |

### 6.1 Other products represent revenue earned from the sale of mortar

### 6.2 The following table provides information about receivables and contract liabilities from contracts with customers.

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Receivables, which are included in trade and other receivables (Note 21) | **3,259,867** | 2,512,634 | **4,114,126** | 7,152,841 |
| Contract liabilities (Note 33) | **(46,019,970)** | (43,361,653) | **(40,410,912)** | (36,414,142) |

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## 7 Cost of sales

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Variable costs (Note 7.1) | **111,200,793** | 88,534,899 | **98,125,999** | 73,528,082 |
| Production fixed costs (Note 7.2) | **25,248,487** | 12,396,058 | **16,595,001** | 5,473,124 |
| Maintenance costs | **16,965,031** | 14,609,335 | **15,588,734** | 13,366,828 |
| Depreciation (Note 15.7) | **23,593,929** | 30,136,307 | **21,057,297** | 27,937,649 |
| Impairment of property, plant and equipment (Note 15.2) | **-** | 4,802,130 | **-** | 4,802,130 |
| Amortisation of intangible assets (Note 16.1) | **14,992** | 26,876 | **14,992** | 26,876 |
| | **177,023,232** | 150,505,605 | **151,382,023** | 125,134,689 |

## 7.1 Variable costs

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Fuel and power | **62,208,056** | 51,508,789 | **51,798,916** | 41,085,241 |
| Raw materials and consumables | **48,992,737** | 37,026,110 | **46,327,083** | 32,442,841 |
| | **111,200,793** | 88,534,899 | **98,125,999** | 73,528,082 |

## 7.2 Production costs

Included in production costs are personnel expenses, by-products costs, inventory write-offs and electrical energy expenses.

## 8 Selling and distribution costs

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Distribution variable costs | **75,902,340** | 47,323,492 | **70,497,897** | 43,538,373 |
| Distribution fixed costs | **8,703,363** | 5,832,411 | **8,052,794** | 4,322,748 |
| Advertising expenses | **1,713,779** | 1,038,358 | **1,713,779** | 1,038,358 |
| Campaign and innovation expenses | **3,328** | 21 | **3,328** | 21 |
| Marketing staff salaries and other related costs | **3,253,636** | 2,782,091 | **3,253,346** | 2,782,090 |
| | **89,576,446** | 56,976,373 | **83,521,144** | 51,681,590 |

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## 9 Administrative expenses by nature

| | Group | | Company | |
|---|---|---|---|---|
| | **31 Dec 2022 ₦'000** | **31 Dec 2021 ₦'000** | **31 Dec 2022 ₦'000** | **31 Dec 2021 ₦'000** |
| Salaries and other staff related costs | **7,643,600** | 8,620,212 | **7,643,600** | 8,628,116 |
| Directors' costs | **98,296** | 81,669 | **98,296** | 81,669 |
| AGM Costs | **143,332** | 69,783 | **143,332** | 69,783 |
| Audit fees | **120,400** | 107,500 | **102,340** | 91,375 |
| Community relation | **270,694** | 380,370 | **270,694** | 380,370 |
| Fuel | **64,144** | 30,304 | **63,070** | 30,304 |
| Insurance | **262,342** | 213,142 | **262,342** | 213,142 |
| Advance payment of taxes and levies (Note 9.1) | **1,999,062** | 1,999,062 | **1,999,062** | 1,999,062 |
| Other supplies and spare parts | **227,143** | 135,560 | **227,143** | 161,253 |
| Rent | **91,085** | 19,904 | **91,085** | 19,904 |
| Consultancy fees | **665,545** | 609,053 | **662,030** | 608,978 |
| Repair and maintenance | **211,786** | 102,346 | **211,786** | 102,346 |
| Security Cost | **70,541** | 104,436 | **70,541** | 104,436 |
| Training | **344,746** | 301,611 | **344,746** | 301,611 |
| Travel | **594,531** | 156,451 | **594,515** | 156,451 |
| Office and general expenses (Note 9.2) | **2,269,788** | 1,190,853 | **2,378,110** | 1,148,946 |
| Depreciation (Note 15.6) | **1,190,323** | 1,295,484 | **866,923** | 800,988 |
| Amortisation of intangible assets (Note 16.1) | **607,572** | 1,198,588 | **472,149** | 919,066 |
| Technical service fees (Note 9.4) | **5,702,755** | 4,542,142 | **5,106,463** | 4,239,457 |
| | **22,577,685** | 21,158,470 | **21,608,227** | 20,057,257 |

## 9.1 Advance payment of taxes and levies

In 2020, the Company renewed an agreement with a Cross River state government to advance an amount not exceeding ₦2.8 billion annually as payments for all taxes, dues and levies payable in the state. The renewed agreement, which is for a three-year period which commenced in April 2020, effectively exempts the Company from all Cross River State and local government taxes, dues and levies during the agreed period. In line with the agreement, the Company made an advance payment of ₦2.8 billion, of which ₦2 billion relates to the current financial year. ₦0.8 billion advance payment brought forward in the year, has also been amortised in the income statement in current year. These amounts have been included in the consolidated and separate statements of profit or loss and other comprehensive income as Cost of sales ₦0.8 billion (under Note 8 - Distribution variable cost) and Administrative expenses ₦2 billion (Under Note 9 – Administrative expenses).

## 9.2 Office and general expenses

Office and general expenses mainly relate to office expenses and stationary, legal cost, fees, subscriptions, other personnel costs, IT costs, canteen, cleaning, distribution and licenses.

## 9.3 Non-audit fees paid to KPMG Professional Services

The total amount of non-audit fees paid to KPMG Professional Services is ₦9.8million in the year ended 31st december 2022. This is in respect of Advisory services rendered in the year ended 31 December 2022

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## 9.4 Technical service fees

The technical fee is computed based on the ongoing technical service agreement. The provision for the technical service fees is computed as 5% of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for both Group and Company, subject to maximum of 2% of net sales. The total technical service fees for the year ended 31st December 2022 for the Group and Company amounted to ₦5.7 billion and ₦5.1 billion, respectively (2021: ₦4.5 billion and ₦4.2 billion).

Lafarge Africa Plc is in the process of finalising a new technical service agreement with Holcim Technology Limited, a related party, which relates to Industrial Franchise. This agreement is awaiting registration with the National Office for Technology Acquisition and Promotion (NOTAP) in Nigeria.

## 10 Other income

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Gain on disposal of property, plant and equipment (Note 10.1) | **24,597** | 89,742 | **24,597** | 89,742 |
| Government grants (Note 10.2) | **326,473** | 381,646 | **110,732** | 110,732 |
| Gain on disposal of investment in joint venture (Note 17.4) | **-** | 133,922 | **-** | 133,922 |
| Sale of scraps and other miscellaneous income (Note 10.3) | **206,417** | 81,782 | **221,425** | 80,516 |
| | **557,487** | 687,092 | **356,754** | 414,912 |

## 10.1 Gain on disposal of property, plant and equipment

This represents gain on disposal of the Company's motor vehicles and machinery owned by the Company (Note 10).

## 10.2 Government grants

Government grants arise from below-market interest rate government loans (CBN/BOI Intervention Fund loan) obtained in July 2011 and in March 2018. There are no unfulfilled conditions or contingencies attached to these grants.

## 10.3 Sale of scraps and other miscellaneous income

This comprises of the total income earned on miscellaneous activities not related to cementitious products, including income from sale of scrap and product shortage recoveries (haulers).

## 11 Impairment loss on trade receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Impairment loss on trade and other receivables | **431,169** | 25,603 | **407,136** | 24,461 |
| | **431,169** | 25,603 | **407,136** | 24,461 |

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## 12 Finance income and costs

### 12.1 Interest income under the effective interest method and other finance income:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Interest income on current accounts | **1,486,857** | 527,487 | **1,386,958** | 485,883 |
| Other finance income | **47,035** | 26,878 | **47,035** | 26,879 |
| **Finance income per statement of cash flows** | **1,533,892** | 554,365 | **1,433,993** | 512,762 |
| Foreign exchange gain (net) | **-** | 1,185,888 | **-** | 1,387,683 |
| **Finance income** | **1,533,892** | 1,740,253 | **1,433,993** | 1,900,445 |

### 12.2 Finance costs:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Interest on borrowings (Note 28.4) | **(766,862)** | (3,763,760) | **(512,033)** | (3,380,277) |
| Unwinding of discount on provisions (Note 29.1) | **(174,976)** | (140,460) | **(87,315)** | (75,559) |
| Interest cost on employees long service award (Note 31.2) | **(237,636)** | (122,262) | **(198,175)** | (102,680) |
| Interest cost on staff gratuities (Note 31.3) | **(35,543)** | (29,400) | **(35,543)** | (29,400) |
| Bank charges & other interest cost | **(1,639,490)** | (1,220,427) | **(1,476,700)** | (1,162,297) |
| **Finance costs per statement of cash flows** | **(2,854,507)** | (5,276,309) | **(2,309,766)** | (4,750,213) |
| Foreign exchange loss (net) | **(13,128,577)** | - | **(11,659,247)** | - |
| **Finance costs** | **(15,983,084)** | (5,276,309) | **(13,969,013)** | (4,750,213) |
| **Net finance cost recognised in the profit or loss** | **(14,449,192)** | (3,536,056) | **(12,535,020)** | (2,849,768) |

Bank charges represent letter of credit charges, over-the-counter (OTC) charges for non-deliverable futures and other bank account operational charges

### 12.3 Interest received per statement of cash flows

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Finance income per profit or loss | **1,486,857** | 527,487 | **1,386,958** | 485,883 |
| Interest received per statement of cash flows | **1,486,857** | 527,487 | **1,386,958** | 485,883 |

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## 12.4 Interest paid per statement of cash flows

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Finance costs per profit or loss | **(15,983,084)** | (5,276,309) | **(13,969,013)** | (4,750,213) |
| Interest payable/(receivable) /offset | **240,712** | (239,333) | **158,864** | (291,002) |
| Non-cash interest charged to profit or loss | **448,155** | 292,122 | **321,033** | 207,639 |
| Foreign exchange loss (net) | **13,128,577** | - | **11,659,247** | - |
| Interest paid per statement of cash flows | **(2,165,640)** | (5,223,520) | **(1,829,869)** | (4,833,576) |
| | | | | |
| **Breakdown as follows:** | | | | |
| Interest paid on leases (Note 28.4) | **(314,080)** | (986,072) | **(314,080)** | (986,072) |
| Interests paid on borrowings including bank charges | **(1,851,560)** | (4,237,448) | **(1,515,789)** | (3,847,504) |
| | **(2,165,640)** | (5,223,520) | **(1,829,869)** | (4,833,576) |

## 13 Income tax expense

This note provides an analysis of the Group and Company's income tax expense. It shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made, if any, in relation to the Group and Company's tax position.

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **13.1 Minimum tax charge recognised in profit or loss** | **1,433,556** | 466,769 | **1,263,252** | 466,769 |

## 13.2 Income tax expense recognised in profit or loss

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Current taxation** | | | | |
| Company income tax (13.2.1) | **-** | 1,207,988 | **-** | - |
| Education tax | **2,046,054** | 1,442,433 | **1,979,484** | 1,308,286 |
| Police trust levy** (13.2.2) | **1,725** | - | **1,725** | - |
| Capital gains tax | **-** | 358,164 | **-** | 358,164 |
| Total current tax expense | **2,047,779** | 3,008,585 | **1,981,209** | 1,666,450 |
| | | | | |
| **Deferred taxation** | | | | |
| Origination and reversal of temporary differences | **12,615,910** | 7,775,575 | **13,260,282** | 8,060,397 |
| Income tax expense | **14,663,689** | 10,784,160 | **15,241,491** | 9,726,847 |
| Tax expense | **14,663,689** | 10,784,160 | **15,241,491** | 9,726,847 |

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**13.2.1** The Group's and Company's operating results for the year ended 31 December 2022, when adjusted for tax purposes, resulted in a nil taxable income. Accordingly, no provision has been made for Company Income tax.

**13.2.2** **The Nigerian Police Trust Fund Act (the "Act") was signed into law by the President on 24 June 2019. The Act establishes a Fund, proceeds from which will be used to train police personnel and procure security machinery and equipment. The Act imposes a levy of 0.005% of the "net profit" of companies 'operating business' in Nigeria.

Lafarge Africa Plc has made a provision of ₦1.7m for the Company and Group in its income statement for the year ended December 31, 2022.

## 13.3 Income tax recognised in other comprehensive income

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Deferred tax arising on: | | | | |
| Remeasurement of defined benefit obligation | **(716)** | (51,259) | **(716)** | (51,259) |

## 13.4 Reconciliation of effective tax to statutory tax

The tax on the Company's profit before income tax differs from the amount that would arise using the statutory income tax rate, as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Profit before income tax expense | **69,744,701** | 62,254,478 | **71,537,203** | 63,649,528 |
| Tax calculated at statutory tax rate of 30% | **20,923,410** | 18,676,343 | **21,461,161** | 19,094,859 |
| Impact of disallowable expenses | **596,394** | 3,719,849 | **476,344** | 2,358,434 |
| Impact of non taxable income | **(669,504)** | (1,175,408) | **(442,838)** | (1,152,704) |
| Changes in estimate relating to prior year | **-** | (146,333) | **-** | (57,153) |
| Impact of education tax | **2,046,054** | 1,534,584 | **1,979,484** | 1,308,286 |
| Effect of pioneer status | **(8,234,390)** | (12,183,039) | **(8,234,385)** | (12,183,039) |
| Impact of police trust levy | **1,725** | | **1,725** | |
| Impact of capital gains tax | **-** | 358,164 | **-** | 358,164 |
| Income tax expense recognised in profit or loss | **14,663,689** | 10,784,160 | **15,241,291** | 9,726,847 |
| Effective tax rate | **21%** | 17% | **21%** | 15% |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 13.5 Current tax liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Balance at 1 January | **3,824,984** | 3,078,461 | **2,210,383** | 1,109,137 |
| **Charge for the year:** | | | | |
| Company income tax | **-** | 1,207,988 | **-** | - |
| Education tax | **2,046,054** | 1,442,433 | **1,979,484** | 1,308,286 |
| Police trust levy | **1,725** | - | **1,725** | - |
| Capital gains tax | **-** | 358,164 | **-** | 358,164 |
| Minimum tax | **1,433,556** | 466,769 | **1,263,252** | 466,769 |
| | **7,306,319** | 6,553,815 | **5,454,844** | 3,242,356 |
| Payment during the year | **(3,418,812)** | (2,728,831) | **(2,283,314)** | (1,031,973) |
| **At 31 December** | **3,887,507** | 3,824,984 | **3,171,530** | 2,210,383 |

**13.6** In the statement of cash flows, Income taxes paid comprise:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Current income tax liabilities paid (Note 13.5) | **(3,418,812)** | (2,728,831) | **(2,283,314)** | (1,031,973) |
| Total current income taxes paid | **(3,418,812)** | (2,728,831) | **(2,283,314)** | (1,031,973) |

## 13.7 Deferred taxation

The analysis of deferred tax assets/(liabilities) is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Deferred tax assets | **2,031,419** | 15,292,417 | **2,031,419** | 15,292,417 |
| Deferred tax liabilities | **(8,472,328)** | (9,116,700) | **-** | - |
| **Deferred tax (liabilities)/ assets net** | **(6,440,909)** | 6,175,717 | **2,031,419** | 15,292,417 |

**Total deferred tax assets/(liabilities):**

| **Group** | At 1 January 2022 ₦'000 | Reclassification ₦'000 | (Credit)/ charge to P/L ₦'000 | (Credit)/ charge to OCI ₦'000 | At 31 December 2022 ₦'000 |
|---|---|---|---|---|---|
| Property, plant and equipment | **(1,559,140)** | **-** | **(18,232,337)** | **-** | **(19,791,477)** |
| Provisions and other liabilities | **4,114,293** | **-** | **752,977** | **-** | **4,867,270** |
| Employment benefit obligation | **(152,789)** | **-** | **-** | **(716)** | **(153,505)** |
| Unrealised exchange differences | **3,773,353** | **-** | **4,863,450** | **-** | **8,636,803** |
| **Total deferred tax assets/ (liabilities)** | **6,175,717** | **-** | **(12,615,910)** | **(716)** | **(6,440,909)** |

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**Deferred tax assets/(liabilities):**

| Group | At 1 January 2021 ₦'000 | Reclassification ₦'000 | (Credit)/ charge to P/L ₦'000 | (Credit)/ charge to OCI ₦'000 | At 31 December 2021 ₦'000 |
|---|---|---|---|---|---|
| Property, plant and equipment | 1,425,290 | 2,834,287 | (5,818,717) | - | (1,559,140) |
| Provisions and other liabilities | 6,695,493 | (2,803,626) | 222,426 | - | 4,114,293 |
| Unutilised tax losses | 1,613,179 | - | (1,613,179) | - | - |
| Employment benefit obligation | (101,530) | - | - | (51,259) | (152,789) |
| Unrealised exchange differences | 4,370,119 | (30,661) | (566,105) | - | 3,773,353 |
| **Total deferred tax assets/ (liabilities)** | 14,002,551 | - | (7,775,575) | (51,259) | 6,175,717 |

**Deferred tax assets:**

| Company | At 1 January 2022 ₦'000 | Reclassification ₦'000 | (Credit)/ charge to P/L ₦'000 | (Credit)/ charge to OCI ₦'000 | At 31 December 2022 ₦'000 |
|---|---|---|---|---|---|
| Property, plant and equipment | **8,367,103** | **-** | **(18,303,131)** | **-** | **(9,936,028)** |
| Provisions and other liabilities | **3,247,489** | **-** | **571,905** | **-** | **3,819,394** |
| Unrealised exchange differences | **3,729,084** | **-** | **4,470,944** | **-** | **8,200,028** |
| Post employment benefit obligation | **(51,259)** | **-** | **-** | **(716)** | **(51,975)** |
| **Total deferred tax assets** | **15,292,417** | **-** | **(13,260,282)** | **(716)** | **2,031,419** |

**Deferred tax assets:**

| Company | At 1 January 2021 ₦'000 | Reclassification ₦'000 | (Credit)/ charge to P/L ₦'000 | (Credit)/ charge to OCI ₦'000 | At 31 December 2021 ₦'000 |
|---|---|---|---|---|---|
| Property, plant and equipment | 11,668,254 | 2,834,287 | (6,135,438) | - | 8,367,103 |
| Unutilised tax losses | 1,613,181 | - | (1,613,181) | - | - |
| Provisions and other liabilities | 5,862,892 | (2,803,626) | 188,223 | - | 3,247,489 |
| Unrealised exchange differences | 4,259,746 | (30,661) | (500,001) | - | 3,729,084 |
| Post employment benefit obligation | - | - | - | (51,259) | (51,259) |
| **Total deferred tax assets** | 23,404,073 | - | (8,060,397) | (51,259) | 15,292,417 |

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. There are no unrecognised deferred tax assets. The deferred tax asset and liabilities relates to different entites within the group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 14 Profit before minimum tax

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Profit before minimum tax is stated after charging/(crediting): | **69,744,701** | 62,254,478 | **71,537,203** | 63,649,528 |
| Depreciation of property, plant and equipment (Note 15) | **24,784,252** | 31,431,791 | **21,924,220** | 28,738,637 |
| Amortisation and impairment of intangible assets (Note 16) | **622,564** | 1,225,464 | **487,141** | 945,942 |
| Impairment of property, plant and equipment (Note 15) | **-** | 4,802,130 | **-** | 4,802,130 |
| Directors' emoluments (Note 38) | **67,072** | 81,669 | **67,072** | 81,669 |
| Audit fees (Note 9) | **120,400** | 107,500 | **102,340** | 91,375 |
| Technical service fees (Note 9) | **5,702,755** | 4,542,142 | **5,106,463** | 4,239,457 |
| Gain on disposal of PPE (Note 10) | **(24,597)** | (89,742) | **(24,597)** | (89,742) |
| Foreign exchange (gain)/loss (Note 12) | **13,128,577** | (1,185,888) | **11,659,247** | (1,387,683) |
| Interest income on current account (Note 12.1) | **(1,486,857)** | (527,487) | **(1,386,958)** | (485,883) |

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## 15 Property, plant and equipment

| Group | Leasehold Land ₦'000 | Buildings ₦'000 | Production Plant ₦'000 | Furniture ₦'000 | Motor Vehicles ₦'000 | Computer Equipment ₦'000 | Exploration and evaluation assets ₦'000 | Construction Work in Progress ₦'000 | **Right of use assets ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | | |
| **As at 1 January 2021** | 14,866,389 | 116,137,075 | 335,971,064 | 1,304,127 | 4,073,835 | 1,951,116 | 1,959,013 | 42,958,430 | 29,537,132 | 548,758,181 |
| Capital expenditure | - | - | - | - | - | - | - | 23,493,625 | - | 23,493,625 |
| Reclasification from CWIP | - | 184,079 | 12,806,006 | 92,924 | 1,117,371 | - | | (14,200,380) | - | - |
| Addition to right of use assets | - | - | - | - | - | - | - | - | 2,593,745 | 2,593,745 |
| Reclassification (to) from inventories | - | - | (1,595) | - | - | - | - | - | - | (1,595) |
| Reclassification from advance payment to supplier | - | - | (25,558) | - | - | - | - | 673,979 | - | 648,421 |
| Disposals | - | - | (27,229) | - | (94,330) | - | - | - | - | (121,559) |
| Modification of right of use assets | - | - | - | - | - | - | - | - | (54,704) | (54,704) |
| **As at 31 December 2021** | **14,866,389** | **116,321,154** | **348,722,688** | **1,397,051** | **5,096,876** | **1,951,116** | **1,959,013** | **52,925,654** | **32,076,173** | **575,316,114** |
| | | | | | | | | | | |
| **Cost:** | | | | | | | | | | |
| **As at 1 January 2022** | **14,866,389** | **116,321,154** | **348,722,688** | **1,397,051** | **5,096,876** | **1,951,116** | **1,959,013** | **52,925,654** | **32,076,173** | **575,316,114** |
| Capital expenditure | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **23,114,980** | **-** | **23,114,980** |
| Reclasification from CWIP | **241,549** | **1,993,050** | **15,890,273** | **438,862** | **2,465,693** | **30,741** | | **(21,060,168)** | **-** | **-** |
| Addition to right of use assets | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **3,430,358** | **3,430,358** |
| Right of use assets prepaid | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **567,500** | **567,500** |
| Reclassification (to)/from inventories | **-** | **-** | **1,527,992** | **36,846** | **-** | **-** | **-** | **-** | **-** | **1,564,838** |
| Disposals | **-** | **(6,013)** | **(571,995)** | **-** | **(179,994)** | **-** | **-** | **-** | **-** | **(758,002)** |
| Modification of right of use assets | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(984,705)** | **(984,705)** |
| **As at 31 December 2022** | **15,107,938** | **118,308,191** | **365,568,958** | **1,872,759** | **7,382,575** | **1,981,857** | **1,959,013** | **54,980,466** | **35,089,326** | **602,251,083** |

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**Group(cont'd)**

| | Leasehold Land ₦'000 | Buildings ₦'000 | Production Plant ₦'000 | Furniture ₦'000 | Motor Vehicles ₦'000 | Computer Equipment ₦'000 | Exploration and evaluation assets ₦'000 | Construction Work in Progress ₦'000 | **Right of use assets ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation and impairment losses:** | | | | | | | | | | |
| **As at 1 January 2021** | 4,852,205 | 32,466,158 | 121,378,919 | 1,070,940 | 3,083,074 | 1,532,100 | 188,538 | 16,144,134 | 19,713,963 | 200,430,031 |
| Charge for the year | 72,435 | 3,927,588 | 17,936,279 | 86,977 | 328,656 | 246,104 | - | - | 8,833,751 | 31,431,791 |
| On disposals | - | - | (27,230) | - | (42,355) | - | - | - | - | (69,585) |
| Impairment | - | 13,969 | 4,788,161 | - | - | - | - | - | - | 4,802,130 |
| **As at 31 December 2021** | 4,924,640 | 36,407,715 | 144,076,129 | 1,157,917 | 3,369,375 | 1,778,204 | 188,538 | 16,144,134 | 28,547,714 | 236,594,366 |
| **As at 1 January 2022** | **4,924,640** | **36,407,715** | **144,076,129** | **1,157,917** | **3,369,375** | **1,778,204** | **188,538** | **16,144,134** | **28,547,714** | **236,594,366** |
| Charge for the year | **26,450** | **4,013,911** | **16,639,284** | **99,060** | **460,549** | **59,555** | **39,294** | **-** | **3,446,149** | **24,784,252** |
| On disposals | **-** | **(5,856)** | **(400,186)** | **-** | **(179,994)** | **-** | **-** | **-** | **-** | **(586,036)** |
| **As at 31 December 2022** | **4,951,090** | **40,415,770** | **160,315,227** | **1,256,977** | **3,649,930** | **1,837,759** | **227,832** | **16,144,134** | **31,993,863** | **260,792,582** |
| **Carrying amount** | | | | | | | | | | |
| **As at 31 December 2022** | **10,156,848** | **77,892,421** | **205,253,731** | **615,782** | **3,732,645** | **144,098** | **1,731,181** | **38,836,330** | **3,095,463** | **341,458,500** |
| **At 31 December 2021** | 9,941,749 | 79,913,439 | 204,646,558 | 239,134 | 1,727,501 | 172,912 | 1,770,475 | 36,781,520 | 3,528,459 | 338,721,748 |
| **At 1 January 2021** | 10,014,184 | 83,670,917 | 214,592,145 | 233,187 | 990,761 | 419,016 | 1,770,475 | 26,814,295 | 9,823,169 | 348,328,150 |

**See note 15.8 for details on right of use assets

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| Company | Leasehold Land ₦'000 | Buildings ₦'000 | Production Plant ₦'000 | Furniture ₦'000 | Motor Vehicles ₦'000 | Computer Equipment ₦'000 | Exploration and evaluation assets ₦'000 | Construction Work in Progress ₦'000 | **Right of use assets ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2021** | 7,719,084 | 97,421,101 | 302,352,970 | 753,749 | 3,286,025 | 1,557,012 | - | 20,437,742 | 29,520,108 | 463,047,791 |
| Capital expenditure | - | - | - | - | - | - | - | 17,309,398 | - | 17,309,398 |
| Reclasification from CWIP | - | 133,211 | 12,049,179 | 59,594 | 1,019,546 | - | - | (13,261,530) | - | - |
| Additions | - | - | - | - | - | - | - | - | 1,948,657 | 1,948,657 |
| Disposals | - | - | (27,229) | - | (94,330) | - | - | - | - | (121,559) |
| Reclassification to inventories | - | - | (1,595) | - | - | - | - | - | - | - |
| Reclassification from advance payment to supplier | - | - | (25,556) | - | - | - | - | 673,977 | - | 648,421 |
| Modification of right of use assets | - | - | - | - | - | - | - | - | (54,704) | (54,704) |
| **As at 31 December 2021** | **7,719,084** | **97,554,312** | **314,347,769** | **813,343** | **4,211,241** | **1,557,012** | **-** | **25,159,587** | **31,414,061** | **482,776,409** |
| **Cost:** | | | | | | | | | | |
| **As at 1 January 2022** | **7,719,084** | **97,554,312** | **314,347,769** | **813,343** | **4,211,241** | **1,557,012** | **-** | **25,159,587** | **31,414,061** | **482,776,409** |
| Capital expenditure | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **20,547,026** | **-** | **20,547,026** |
| Reclassification from CWIP | **128,041** | **1,538,591** | **13,857,627** | **438,862** | **1,988,170** | **30,741** | **-** | **(17,982,032)** | **-** | **-** |
| Additions | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **3,430,358** | **3,430,358** |
| Right of use assets prepaid | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **567,500** | **567,500** |
| Disposal | **-** | **(6,013)** | **(571,995)** | **-** | **(179,994)** | **-** | **-** | **-** | **-** | **(758,002)** |
| Reclassification from inventories | **-** | **-** | **1,527,992** | **-** | **-** | **-** | **-** | **-** | **-** | **1,527,992** |
| Modification of right of use assets | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(984,705)** | **(984,705)** |
| **As at 31 December 2022** | **7,847,125** | **99,086,890** | **329,161,393** | **1,252,205** | **6,019,417** | **1,587,753** | **-** | **27,724,581** | **34,427,214** | **507,106,578** |

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**Company(cont'd)**

| | Leasehold Land ₦'000 | Buildings ₦'000 | Production Plant ₦'000 | Furniture ₦'000 | Motor Vehicles ₦'000 | Computer Equipment ₦'000 | Exploration and evaluation assets ₦'000 | Construction Work in Progress ₦'000 | **Right of use assets ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation and impairment losses:** | | | | | | | | | | |
| **As at 1 January 2021** | 4,836,206 | 26,235,581 | 108,081,752 | 655,444 | 2,531,254 | 1,169,130 | - | 12,394,270 | 19,696,939 | 175,600,576 |
| Charge for the year | 72,435 | 3,166,980 | 16,485,252 | 28,608 | 309,167 | 112,850 | - | - | 8,563,345 | 28,738,637 |
| Impairment loss | - | 13,969 | 4,788,161 | - | | - | - | - | - | 4,802,130 |
| Disposals | - | - | (27,230) | - | (42,355) | - | - | - | - | (69,585) |
| **As at 31 December 2021** | 4,908,641 | 29,416,530 | 129,327,935 | 684,052 | 2,798,066 | 1,281,980 | - | 12,394,270 | 28,260,284 | 209,071,758 |
| **As at 1 January 2022** | **4,908,641** | **29,416,530** | **129,327,935** | **684,052** | **2,798,066** | **1,281,980** | **-** | **12,394,270** | **28,260,284** | **209,071,758** |
| Charge for the year | **24,558** | **3,240,836** | **15,059,477** | **44,118** | **383,476** | **48,150** | **-** | **-** | **3,123,605** | **21,924,220** |
| Disposals | **-** | **(5,856)** | **(400,186)** | **-** | **(179,994)** | **-** | **-** | **-** | **-** | **(586,036)** |
| **As at 31 December 2022** | **4,933,199** | **32,651,510** | **143,987,226** | **728,170** | **3,001,548** | **1,330,130** | **-** | **12,394,270** | **31,383,889** | **230,409,942** |
| **Carrying amount** | | | | | | | | | | |
| **As at 31 December 2022** | **2,913,926** | **66,435,380** | **185,174,167** | **524,035** | **3,017,869** | **257,623** | **-** | **15,330,311** | **3,043,325** | **276,696,636** |
| **At 31 December 2021** | 2,810,443 | 68,137,782 | 185,019,834 | 129,291 | 1,413,175 | 275,032 | - | 12,765,317 | 3,153,777 | 273,704,651 |
| **At 1 January 2021** | 2,882,878 | 71,185,520 | 194,271,218 | 98,305 | 754,771 | 387,882 | - | 8,043,472 | 9,823,169 | 287,447,215 |

**See note 15.7 for details on right of use assets.

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## 15.1 Reconciliation of acquisition of property. plant and equipment in the statements of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 |
| Acquisition of property, plant and equipment | **23,114,980** | 23,562,215 | **20,547,026** | 17,309,398 |
| Additions to Right of use assets | **567,500** | - | **567,500** | - |
| Property, plant and equipment accrual (Note 33.1.5) | **(1,993,507)** | (986,405) | **(1,571,706)** | (178,105) |
| Reclassification from inventories | **1,564,838** | - | **1,527,992** | - |
| Property, plant and equipment paid in the statement of cash flows | **23,253,811** | 22,575,810 | **21,070,812** | 17,131,293 |

## 15.2 Impairment of property, plant and equipment

There is no impairment loss recognised in 2022. An impairment of ₦4.8billion was recognised in 2021 to reflect the recoverable value of Sagamu plant.

## 15.3 Assets pledged as security

The Group has no assets pledged as security as at 31 December 2022 (2021: Nil).

## 15.4 Construction work in progress and Capital commitments

For capital commitments, refer to Note 35. Construction work in progress are the Group's projects on maintaining and developing plants and the office structure.

## 15.5 Breakdown of construction work in progress

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 |
| Buildings | **27,425,980** | 24,711,253 | **5,242,099** | 3,571,892 |
| Production Plant | **10,369,897** | 10,828,503 | **9,183,710** | 8,434,510 |
| Motor Vehicles | **354,816** | 145,889 | **354,816** | - |
| Computer Equipment | **464,714** | 818,246 | **434,694** | 594,512 |
| Exploration and evaluation assets | **220,923** | 277,628 | **114,992** | 164,404 |
| | **38,836,330** | 36,781,519 | **15,330,311** | 12,765,318 |

## 15.6 Depreciation

Depreciation for the year, including that charged on Right of Use Assets, has been charged as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 |
| Cost of sales (Note 7) | **23,593,929** | 30,136,307 | **21,057,298** | 27,937,649 |
| Administrative expenses (Note 9) | **1,190,323** | 1,295,484 | **866,923** | 800,988 |
| | **24,784,252** | 31,431,791 | **21,924,221** | 28,738,637 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 31 DECEMBER 2022**

## 15.7 Right of Use Assets

| Group | Leasehold Land ₦'000 | Buildings ₦'000 | Production Plant ₦'000 | Motor Vehicles ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **As at 1 January 2021** | 130,941 | 2,068,506 | 2,182,105 | 25,155,580 | 29,537,132 |
| Additions | 39,498 | 149,500 | 2,137,477 | 267,270 | 2,593,745 |
| Modification of leases | - | - | - | (54,704) | (54,704) |
| **As at 31 December 2021** | 170,439 | 2,218,006 | 4,319,582 | 25,368,146 | 32,076,173 |
| **As at 1 January 2022** | **170,439** | **2,218,006** | **4,319,582** | **25,368,146** | **32,076,173** |
| Additions** | **574,328** | **939,550** | **1,794,789** | **689,191** | **3,997,858** |
| Modification of leases | **-** | **-** | **-** | **(984,705)** | **(984,705)** |
| **As at 31 December 2022** | **744,767** | **3,157,556** | **6,114,371** | **25,072,632** | **35,089,326** |
| **Accumulated depreciation:** | | | | | |
| **As at 1 January 2021** | 48,160 | 1,305,658 | 2,157,795 | 16,202,350 | 19,713,963 |
| Depreciation charge for the period | 37,555 | 486,209 | 1,689,905 | 6,620,081 | 8,833,751 |
| **As at 31 December 2021** | 85,715 | 1,791,867 | 3,847,700 | 22,822,431 | 28,547,714 |
| **As at 1 January 2022** | **85,715** | **1,791,867** | **3,847,700** | **22,822,431** | **28,547,714** |
| Depreciation charge for the period | **38,894** | **388,734** | **1,139,976** | **1,878,546** | **3,446,149** |
| **As at 31 December 2022** | **124,609** | **2,180,601** | **4,987,676** | **24,700,977** | **31,993,863** |
| **Carrying amount** | | | | | |
| **As at 31 December 2022** | **620,158** | **976,955** | **1,126,695** | **371,655** | **3,095,463** |
| **As at 31 December 2021** | 84,724 | 426,139 | 471,882 | 2,545,715 | 3,528,459 |

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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| **Company** | **Leasehold Land ₦'000** | **Buildings ₦'000** | **Production Plant ₦'000** | **Motor Vehicles ₦'000** | **Total ₦'000** |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **As at 1 January 2021** | 130,941 | 2,051,482 | 2,182,105 | 25,155,580 | 29,520,108 |
| Additions** | 39,498 | 149,500 | 1,492,388 | 267,271 | 1,948,657 |
| Modification of leases | - | - | - | (54,704) | (54,704) |
| **As at 31 December 2021** | 170,439 | 2,200,982 | 3,674,493 | 25,368,147 | 31,414,061 |
| **As at 1 January 2022** | **170,439** | **2,200,982** | **3,674,493** | **25,368,147** | **31,414,061** |
| Additions** | **574,328** | **939,550** | **1,794,789** | **689,191** | **3,997,858** |
| Modification of leases *** | **-** | **-** | **-** | **(984,705)** | **(984,705)** |
| **As at 31 December 2022** | **744,767** | **3,140,532** | **5,469,282** | **25,072,633** | **34,427,214** |
| **Accumulated depreciation:** | | | | | |
| **As at 1 January 2021** | 48,160 | 1,288,634 | 2,157,795 | 16,202,350 | 19,696,939 |
| Depreciation charge for the period | 37,555 | 486,210 | 1,419,498 | 6,620,082 | 8,563,345 |
| **As at 31 December 2021** | 85,715 | 1,774,844 | 3,577,293 | 22,822,432 | 28,260,284 |
| **As at 1 January 2022** | **85,715** | **1,774,844** | **3,577,293** | **22,822,432** | **28,260,284** |
| Depreciation charge for the period | **38,894** | **388,734** | **817,432** | **1,878,546** | **3,123,606** |
| **As at 31 December 2022** | **124,609** | **2,163,578** | **4,394,725** | **24,700,978** | **31,383,890** |
| **Carrying amount** | | | | | |
| **As at 31 December 2022** | **620,158** | **976,954** | **1,074,557** | **37,655** | **3,043,324** |
| **As at 31 December 2021** | 84,724 | 426,138 | 97,200 | 2,545,715 | 3,153,777 |

The Group and Company lease several assets, including cement depots, residential apartments, and trucks. The average lease term of the contracts is 3-5years.

**Additions relate to new lease contracts entered into during the year.

***During the year, the Group modified the consideration of its logistics lease contracts to reflect the appropriate minimum fixed costs based on the trucks performance. The impact of the modification amounted to ₦984m (2021: ₦55m) for the Group and Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 16 Intangible assets

| | Group | |
|---|---|---|
| | Intangible Assets ₦'000 | Total ₦'000 |
| **Cost** | | |
| Balance at 1 January 2021 | 4,823,863 | 4,823,863 |
| Balance at 31 December 2021 | 4,823,863 | 4,823,863 |
| Balance at 1 January 2022 | **4,823,863** | **4,823,863** |
| Balance at 31 December 2022 | **4,823,863** | **4,823,863** |
| **Accumulated Amortisation** | | |
| Balance at 1 January 2021 | 2,884,653 | 2,884,653 |
| Charge for the year | 1,225,464 | 1,225,464 |
| Balance at 31 December 2021 | 4,110,117 | 4,110,117 |
| Balance at 1 January 2022 | **4,110,117** | **4,110,117** |
| Charge for the year | **622,564** | **622,564** |
| Balance at 31 December 2022 | **4,732,681** | **4,732,681** |
| **Carrying amount** | | |
| Balance at 1 January 2021 | 1,939,210 | 1,939,210 |
| Balance at 31 December 2021 | 713,746 | 713,746 |
| Balance at 31 December 2022 | **91,182** | **91,182** |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 31 DECEMBER 2022**

## 16 Intangible assets (cont'd)

| | Company | |
|---|---|---|
| | Intangible Assets ₦'000 | Total ₦'000 |
| **Cost** | | |
| Balance at 1 January 2021 | 3,323,900 | 3,323,900 |
| Balance at 31 December 2021 | 3,323,900 | 3,323,900 |
| Balance at 1 January 2022 | **3,323,900** | **3,323,900** |
| Balance at 31 December 2022 | **3,323,900** | **3,323,900** |
| **Accumulated Amortisation** | | |
| Balance at 1 January 2021 | 1,799,636 | 1,799,636 |
| Charge for the year | 945,942 | 945,942 |
| Balance at 31 December 2021 | 2,745,578 | 2,745,578 |
| Balance at 1 January 2022 | **2,745,578** | **2,745,578** |
| Charge for the year | **487,141** | **487,141** |
| Balance at 31 December 2022 | **3,232,719** | **3,232,719** |
| **Carrying amount** | | |
| Balance at 1 January 2021 | 1,524,264 | 1,524,264 |
| Balance at 31 December 2021 | 578,322 | 578,322 |
| Balance at 31 December 2022 | **91,181** | **91,181** |

Intangible assets represents mineral rights and computer software in the Group's operations.

## 16.1 Amortisation of intangible assets

Amortisation for the year has been charged as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 |
| Cost of sales (Note 7) | **14,992** | 26,876 | **14,992** | 26,876 |
| Administrative expenses (Note 9) | **607,572** | 1,198,588 | **472,149** | 919,066 |
| | **622,564** | 1,225,464 | **487,141** | 945,942 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 17 Interests in other entities

### 17.1 Investments in subsidiaries

The Group's principal subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation is also their principal place of business.

| **31 December 2022**<br>**Name of entity** | **Principal activities** | **Place of Incorporation** | **Proportion %** | **Cost ₦'000** |
|---|---|---|---|---|
| Ashaka Cement Limited | Cement | Nigeria | 100 | **63,896,867** |
| Wapsila Nigeria Limited | Power Generation and Sale | Nigeria | 100 | **10,000** |
| | | | | **63,906,867** |

| **31 December 2021**<br>**Name of entity** | **Principal activities** | **Place of Incorporation** | **Proportion %** | **Cost ₦'000** |
|---|---|---|---|---|
| Ashaka Cement Limited | Cement | Nigeria | 100 | 63,896,867 |
| Wapsila Nigeria Limited | Power Generation and Sale | Nigeria | 100 | 10,000 |
| | | | | 63,906,867 |

### 17.2 Investment in joint venture - Continental Blue Investment, Ghana

On January 20, 2021, the Board of Directors of Lafarge Africa Plc approved the disposal of the Company's investment in Continental Blue Investment Ghana Ltd (CBI) via a sale of the total equity interest of 35% held by the Company in CBI to a third party, F. Scott AG. The sale was concluded on June 30, 2021.

Until the date of the disposal, the Group had classified its interest in CBI as a joint venture, in accordance with the agreement under which CBI was established. The Group and Company's interest in CBI was accounted for using the equity method in the consolidated and separate financial statements until the date of disposal.

As at 30 June 2021, the carrying amount of the Company's investment in Continental Blue Investment (CBI) was ₦1.08 billion, including the share of profit in 2021 to the date of disposal. As at 31 December 2021, the joint venture is no longer part of the Group.

Notes on disposal are set out in Note 17.3 below.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Summarised statement of comprehensive income of Continental Blue Investment, Ghana:**

| | 30 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
|---|---|---|
| Revenue | - | 17,178,365 |
| Cost of sales | - | (11,867,848) |
| Other operating income | - | 85,127 |
| Operating expenses | - | (2,565,705) |
| Profit before tax | - | 2,829,939 |
| Income tax expense | - | - |
| Profit for the year | - | 2,829,939 |
| Other comprehensive (loss)/income, net of tax | | |
| Exchange differences on translation (100%) | - | (835,881) |
| Other comprehensive (loss)/income, net of tax (100%) | - | (835,881) |
| | | |
| Total comprehensive income/(loss) (100%) | - | 1,994,058 |
| | | |
| Share of Profit/(loss) for the year (35%) | - | 990,479 |
| Share of other comprehensive (loss)/income, net of tax for the year (35%) | - | (292,558) |
| | | |
| Total comprehensive income/(loss) (35%) | - | 697,921 |
| | | |
| Company's share of Profit/(loss) | - | 990,479 |
| Previously unrecognised share of loss | - | - |
| Reclassification of share of OCI on disposal of joint venture | - | (307,169) |
| Company's recognised share of profit/(loss) | - | 683,310 |

## 17.3 Disposal of investment in Joint Venture

The proceeds realized by Lafarge Africa Plc in 2021 from the disposal of investment in CBI Ghana amounted to USD 8.2m after repayment of the loan granted by Lafarge Africa Plc to CBI Ghana (USD 5.8m), settlement of earn out obligation by Lafarge Africa Plc (USD 3.6m) and payment for Lafarge Africa Plc's shares by F. Scott AG (USD 6m).

## 17.4 Gain on disposal of the investment

| | USD'000 | Rate | 31 Dec 2021 ₦'000 |
|---|---|---|---|
| Sales consideration | **6,041** | **505** | **3,051,608** |
| | | | **3,051,608** |
| **Less:** | | | |
| Derecognition of carrying value of equity accounted investee | | | **(1,077,353)** |
| Earn out obligation paid | **(3,643)** | **505** | **(1,840,333)** |
| **Gain on disposal** | | | **133,922** |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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## 17.5 Cashflow from the disposal of the investment

| | USD'000 | USD'000 | Rate | 31 Dec 2021 ₦'000 |
|---|---|---|---|---|
| Proceeds received from sales | - | 8,200 | 505 | 4,142,066 |
| | - | - | - | 4,142,066 |
| Split into: | | | | |
| Repayment of loan principal | - | 3,850 | 505 | 1,944,751 |
| Repayment of loan interest | - | 1,952 | 505 | 985,897 |
| Sales value of investment | 6,041 | | | |
| Earn out obligation paid | (3,643) | 2,398 | 505 | 1,211,419 |
| | - | - | - | 4,142,066 |

## 18 Other financial assets

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Current:** | | | | |
| Other financial assets (Note 18.1) | 21,000 | 19,035,529 | 14,335 | 18,975,911 |
| | 21,000 | 19,035,529 | 14,335 | 18,975,911 |

## 18.1 Other financial assets - Current

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Short term receivables | 21,000 | 151,029 | 14,335 | 91,411 |
| Security deposit receivables (Note 18.1.1) | - | 18,884,500 | - | 18,884,500 |
| | 21,000 | 19,035,529 | 14,335 | 18,975,911 |

## 18.1.1 Security deposit receivables

In prior year, the Company held a security deposit on foreign exchange forward contract with a bank in Nigeria, which also bore interest at 0.5% per annum. The amount was received in two tranches during the year April and May 2022.

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## 19 Other assets

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Non current | **60,851,702** | 35,535,403 | **57,167,949** | 32,699,442 |
| Current | **18,462,277** | 15,275,129 | **17,326,786** | 14,734,768 |
| | **79,313,979** | 50,810,532 | **74,494,735** | 47,434,210 |
| Advance payment to suppliers | **16,712,693** | 7,803,330 | **15,699,180** | 7,363,914 |
| Prepayment for Gas (Note 19.1) | **32,847,289** | 28,714,124 | **32,847,289** | 28,714,124 |
| Prepaid rent | **198,895** | 58,473 | **188,323** | 58,473 |
| Prepaid insurance | **1,465,183** | 1,074,065 | **1,353,777** | 973,121 |
| Advance payment to transporters | **24,320,660** | 9,506,239 | **24,320,660** | 9,506,239 |
| Advance payment of taxes and levies (Note 9.1) | **699,999** | 818,338 | **699,999** | 818,338 |
| Letters of credit | **3,683,753** | 2,835,962 | **-** | - |
| | **79,928,472** | 50,810,531 | **75,109,228** | 47,434,209 |

## 19.1 Prepayment for Gas

Company has a contract with a vendor for gas supply which has a take or pay clause. The prepayment for gas relates to payment made for unutilised gas as at end of the year. The contract is for a period of 25 years from 2012 to 2037 and the Company is entitled to utilise the amount prepaid anytime within the contract period with an extension of 2years after the expiration of the contract. The Company finalized the contract re-negotiations with the vendor in November 2020 with an effective date of 1 January 2020. The key changes in the new contract are aimed at further ensuring the prepaid gas balance is fully utilised within the contract period.

The Company has performed an assessment to determine whether the prepaid gas asset is recoverable since the amount has continued to increase over the years and has shown a significant increase in the current year due to additional payments made in line with the terms of the re-negotiated contract. This assessment involved a determination of future gas utilization based on assumptions such as future production volumes, forecasted growth rates and utilisation levels as well as the ability of the vendor to fulfill its obligations under the terms of the contract. Based on the assessment performed, including sensitivity analysis around the key judgments and assumptions, the Company expects to fully recover the prepaid gas asset balance within the contract term.

## 20 Inventories

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Raw materials | **5,334,179** | 8,555,834 | **4,696,009** | 8,257,774 |
| Work in progress | **319,149** | 1,083,046 | **1,105,150** | 831,966 |
| Finished goods | **10,462,501** | 11,233,700 | **7,948,247** | 8,862,384 |
| Spare parts | **27,038,273** | 17,819,245 | **22,779,550** | 15,663,520 |
| Other supplies (Note 20.1) | **9,888,971** | 6,318,302 | **5,367,249** | 3,040,850 |
| | **53,043,073** | 45,010,127 | **41,896,205** | 36,656,494 |

The cost of inventories recognised as an expense during the year and included in 'cost of sales' was ₦67.9 billion (2021: ₦47.7 billion) and ₦59.0 billion (2021: ₦38.9 billion) for the Group and Company respectively.

Total inventory write down recognised during the year was ₦2.1billion (2021: ₦8.0 billion) and ₦6.6 billion (2021: ₦4.4 billion) for the Group and Company respectively.

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The Company employs the services of the following external valuation specialists for the measurement and valuation of inventories;

- Geofourier systems limited (FRC/2021/003/00000022935);
- Isayinka Olusegun (FRC/2021/004/00000024038).

Included in finished goods is off-spec clinker amounting to ₦7.2 billion and ₦1.9 billion (2021:₦6.5 billion and ₦2.5 billion) for Group and Company respectively and an obsolescence allowance of ₦5.6 billion and ₦1.3 billion (2021:₦2.5 billion and ₦0.8 billion) for Group and Company respectively.

## 20.1 Other supplies

Other supplies consists of safety equipment, packaging materials, traditional fuel and production materials.

## 21 Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Trade receivables: | | | | |
| Third party receivables | **3,971,532** | 2,793,130 | **3,567,496** | 2,617,516 |
| Related party sales (Note 37.4) | **-** | - | **1,223,198** | 4,804,757 |
| | **3,971,532** | 2,793,130 | **4,790,694** | 7,422,273 |
| Impairment on trade receivables (Note 21.3) | **(711,665)** | (280,496) | **(676,568)** | (269,432) |
| Net trade receivables | **3,259,867** | 2,512,634 | **4,114,126** | 7,152,841 |
| | | | | |
| Other receivables (Note 21.1) | **2,365,694** | 4,206,173 | **2,225,951** | 4,133,505 |
| Due from related parties (Note 37.5) | **728,264** | 477,947 | **36,809,771** | 21,090,806 |
| | **3,093,958** | 4,684,120 | **39,035,722** | 25,224,311 |
| Net other receivables | **3,093,958** | 4,684,120 | **39,035,722** | 25,224,311 |
| **Total trade and other receivables** | **6,353,825** | 7,196,754 | **43,149,848** | 32,377,152 |

The Group and Company's exposure to credit and foreign exchange risks related to trade and other receivables are disclosed in Note 4.

## 21.1 Analysis of other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Short term receivables (Note 21.2) | **2,355,404** | 4,202,133 | **2,215,661** | 4,129,465 |
| Staff advances | **10,290** | 4,040 | **10,290** | 4,040 |
| | **2,365,694** | 4,206,173 | **2,225,951** | 4,133,505 |

See Note 4.1.1 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

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## 21.2 Short term receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| WHT receivable | **990,756** | 970,570 | **990,756** | 927,648 |
| VAT receivable | **79** | 504,334 | **-** | 504,255 |
| Receivable from gas contract | **605,361** | 2,133,150 | **605,361** | 2,133,150 |
| Receivables from registrar | **202,096** | 264,412 | **202,096** | 264,412 |
| Receivables from bank | **300,000** | 300,000 | **300,000** | 300,000 |
| Other receivables | **257,112** | 29,667 | **117,448** | - |
| | **2,355,404** | 4,202,133 | **2,215,661** | 4,129,465 |

Included in other receivables is receivable due from transporters for supply of diesel as at 31 December 2022.

## 21.3 Impairment loss

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| At 1 January | **280,496** | 254,892 | **269,432** | 244,970 |
| Impairment losses recognised | **431,169** | 25,603 | **407,136** | 24,461 |
| At 31 December | **711,665** | 280,495 | **676,568** | 269,431 |

## 22 Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Restricted cash (Note 22.1) | **1,636,942** | 1,431,461 | **1,636,942** | 1,431,461 |
| Cash in hand and at bank (Note 22.2) | **116,761,553** | 48,625,884 | **105,264,175** | 43,696,638 |
| Cash and cash equivalents in the statement of financial position | **118,398,495** | 50,057,345 | **106,901,117** | 45,128,099 |

## 22.1 Restricted cash

As at year end, cash and cash equivalents included restricted cash, which represents unclaimed dividend amounting to ₦1.64 billion (2021: ₦1.43 billion)

The Group and Company's exposure to credit risk, interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 4.

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## 22.2 Cash and cash equivalents in the statement of cash flows

For the purpose of the cash flow statement, cash and cash equivalents comprises:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Cash in hand and at bank | **116,761,553** | 48,625,884 | **105,264,175** | 43,696,638 |
| Cash and cash equivalents in the statement of cash flows | **116,761,553** | 48,625,884 | **105,264,175** | 43,696,638 |

## 23 Share capital

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Authorised: | | | | |
| 16,107,795,721 ordinary shares of 50k each (2021: 20,000,000,000 ordinary shares of 50k each) | **8,053,899** | 10,000,000 | **8,053,899** | 10,000,000 |

**Issued and fully paid**
**Ordinary shares of 50k each**

| | No of shares ₦'000 | Share capital ₦'000 |
|---|---|---|
| At 1 January 2022 | **16,107,796** | **8,053,899** |
| Issued during the year | **-** | **-** |
| At 31 December 2022 | **16,107,796** | **8,053,899** |
| | | |
| At 1 January 2021 | 16,107,796 | 8,053,899 |
| Issued during the year | - | - |
| At 31 December 2021 | 16,107,796 | 8,053,899 |

At the Company's 63rd Annual General Meeting held on 21st April 2022, the shareholders of the Company passed a special resolution for the cancellation of the 3,892,204,279 unissued shares of the Company, in accordance with the requirements of the Companies and Allied Matters Act 2020. Pursuant to this, the Company's authorised, issued and fully paid share capital is ₦8,053,897,860.50 divided into 16,107,795,721 ordinary shares of 50 kobo each.

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## 24 Share premium

| | No of shares ₦'000 | Share capital ₦'000 |
|---|---|---|
| At 1 January 2022 | **16,107,796** | **435,148,731** |
| Issued during the year | - | - |
| Right issue costs | - | - |
| At 31 December 2022 | **16,107,796** | **435,148,731** |
| | | |
| At 1 January 2021 | **16,107,796** | **435,148,731** |
| Issued during the year | - | - |
| Right issue costs | - | - |
| At 31 December 2021 | **16,107,796** | **435,148,731** |

## 25 Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Profit attributable to equity holders of the Company | **53,647,456** | 51,003,549 | **55,032,460** | 53,455,912 |
| Weighted average number of ordinary shares in issue (Basic) | **16,107,796** | 16,107,796 | **16,107,796** | 16,107,796 |
| Weighted average number of ordinary shares in issue (diluted) | **16,107,796** | 16,107,796 | **16,107,796** | 16,107,796 |
| | | | | |
| Basic earnings per share (Kobo) | **333** | 317 | **342** | 332 |
| Diluted earnings per share (Kobo) | **333** | 317 | **342** | 332 |

## 26 Foreign currency translation reserve

This represents exchange differences arising from the translation of joint venture operation from Continental Blue Investment Ghana to the Group's reporting currency which is Naira. This investment was disposed in June 2021.

**27** The other reserves arising on business combination and re-organisation is used to recognise the adjustments arising from business combination/re-organisation for entities under common control, when the pooling of interest method was adopted.

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## 28 Loans and borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Non-current | **1,530,387** | 2,482,049 | **529,850** | 709,077 |
| Current | **35,062,463** | 20,805,272 | **33,255,574** | 19,846,836 |
| **Total loans and borrowings** | **36,592,850** | 23,287,321 | **33,785,424** | 20,555,913 |
| | | | | |
| **Split into:** | | | | |
| Power fund (Note 28.1) | **2,145,449** | 3,268,947 | **430,356** | 903,795 |
| Bank Loans (Note 28.2) | **32,460,672** | 17,004,788 | **30,435,997** | 16,141,855 |
| Lease liabilities (Note 28.3) | **1,986,729** | 3,013,586 | **1,919,868** | 2,615,561 |
| Related party loan (Note 28.5) | **-** | - | **999,203** | 894,702 |
| **Total loans and borrowings** | **36,592,850** | 23,287,321 | **33,785,424** | 20,555,913 |

## 28.1 Power Fund:

Lafarge Africa Plc accessed ₦5.3 billion from the unsecured CBN/BOI Power and Aviation Intervention Fund through Guaranty Trust Bank Plc (GTB). Principal and Interest are paid quarterly. The facility has a 10-year tenure with a fixed interest rate of 4% per annum and an effective interest rate of 15.23%. per annum The outstanding balance disclosed in the Company's books amounts to ₦430 million (2021: ₦904 million), which is the amortised cost to date.

The Group also assessed an additional ₦6.4 billion from the unsecured CBN/BOI intervention fund in 2019 through Zenith Bank. The loan assessed amounted to ₦6.4 billion. Principal repayment commenced in December 2019. The facility has a 7.5-years tenure and an interest rate of 5% per annum. The outstanding balance, at amortised cost, amounts to ₦1.7 billion (2021: ₦2.4billion) bringing the total balance in the Group's books to ₦2.1billion (2021:₦3.3bn).

## 28.2 Bank Loans:

These represent letters of credit facility lines obtained from financial institutions. Interest rate ranges from 9% - 12% p.a and the loans are payable within one year.

## 28.3 Lease liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Maturity analysis** | | | | |
| Less than 1 year | **1,456,827** | 2,620,298 | **1,389,966** | 2,280,151 |
| Between one and two years | **355,664** | 115,572 | **355,664** | 57,694 |
| Between two and five years | **19,271** | 125,088 | **19,271** | 125,088 |
| Five years and above | **154,967** | 152,628 | **154,967** | 152,628 |
| | **1,986,729** | 3,013,586 | **1,919,868** | 2,615,561 |
| **Analysed as** | | | | |
| Non current | **529,902** | 393,288 | **529,902** | 335,410 |
| Current | **1,456,827** | 2,620,298 | **1,389,966** | 2,280,151 |
| Total lease liabilities | **1,986,729** | 3,013,586 | **1,919,868** | 2,615,561 |

The Group and Company leases several assets, including cement depots, residential apartments, and trucks. The Group and Company's lease typically run for a period of 3 - 5 years. The Group and Company's truck lease arrangement are based on variable payment terms linked to the usage of the trucks.

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## 28.4 Movement in loans and borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| At 1 January | **23,287,321** | 49,732,830 | **20,555,913** | 47,233,357 |
| Additions: | | | | |
| Leases | **3,436,807** | 2,409,246 | **3,436,807** | 1,764,158 |
| Loans received | **27,125,828** | 15,717,396 | **25,517,934** | 15,203,057 |
| | **53,849,956** | 67,859,472 | **49,510,654** | 64,200,572 |
| Interest expense (Note 12.2) | **766,862** | 3,763,760 | **512,032** | 3,380,277 |
| Interest paid on borrowing | **(212,070)** | (2,888,751) | **(39,089)** | (2,685,207) |
| Interest paid on leases | **(314,080)** | (986,072) | **(314,080)** | (986,072) |
| Principal repaid | **(18,700,161)** | (36,045,934) | **(16,669,658)** | (35,180,135) |
| Repayment of lease liabilities | **(3,275,995)** | (7,208,823) | **(3,275,995)** | (6,952,724) |
| Impact of modification of leases | **(856,505)** | (55,683) | **(856,505)** | (55,683) |
| Exchange loss / (gain) | **5,334,843** | (1,150,648) | **4,918,065** | (1,165,115) |
| At 31 December | **36,592,850** | 23,287,321 | **33,785,424** | 20,555,913 |
| Less than one year | **35,062,463** | 20,502,893 | **33,255,574** | 19,486,577 |
| Between one and two years | **1,139,699** | 1,506,229 | **355,612** | 791,620 |
| Between two to five years | **235,721** | 1,125,571 | **19,271** | 125,088 |
| After five years | **154,967** | 152,628 | **154,967** | 152,628 |
| | **36,592,850** | 23,287,321 | **33,785,424** | 20,555,913 |

## 28.5 Related Party loans:

The balance represents the accrued interest on a loan from AshakaCem Ltd to Lafarge Africa Plc. The principal was settled in March 2019.

## 29 Provisions

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Non current (Note 29.1) | **2,718,463** | 2,103,557 | **1,389,034** | 1,193,962 |
| Current (Note 29.2) | **2,353,466** | 2,918,962 | **2,108,367** | 2,571,809 |
| | **5,071,929** | 5,022,519 | **3,497,401** | 3,765,771 |

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## 29.1 Non current

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Site restoration cost** | | | | |
| At 1 January | **2,103,557** | 1,510,577 | **1,193,962** | 817,124 |
| Provision made during the year | **629,029** | 678,230 | **140,795** | 351,983 |
| Utilised | **(189,100)** | (225,710) | **(33,038)** | (50,704) |
| Unwinding of discount (Note12(12.2) | **174,976** | 140,460 | **87,315** | 75,559 |
| At 31 December | **2,718,462** | 2,103,557 | **1,389,034** | 1,193,962 |

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on reclamation closure expert valuation and management's re-assessment. The cost would be unwound for a period of 5-15 years for the Group and Company. The long term inflation and discount rates used in the estimate entities within the Group was 11.35% (2021: 10%) and 14.16% (2020: 12.8%) respectively.

## 29.2 Current

| **Group** | Productivity bonus ₦'000 | Total ₦'000 |
|---|---|---|
| At 1 January 2021 | 2,644,965 | 2,644,965 |
| Provision made during the year | 1,741,973 | 1,741,973 |
| Payment in the year | (1,467,976) | (1,467,976) |
| At 31 December 2021 | 2,918,962 | 2,918,962 |
| | | |
| At 1 January 2022 | **2,918,962** | **2,918,962** |
| Provision made during the year | **1,373,888** | **1,373,888** |
| Payment in the year | **(1,939,384)** | **(1,939,384)** |
| At 31 December 2022 | **2,353,466** | **2,353,466** |

| **Company** | Productivity bonus ₦'000 | Total ₦'000 |
|---|---|---|
| At 1 January 2021 | 2,405,497 | 2,405,497 |
| Provision made during the year | 1,449,032 | 1,449,032 |
| Payment in the year | (1,282,720) | (1,282,720) |
| At 31 December 2021 | 2,571,809 | 2,571,809 |
| | | |
| At 1 January 2022 | **2,571,809** | **2,571,809** |
| Provision made during the year | **1,235,014** | **1,235,014** |
| Payment in the year | **(1,698,456)** | **(1,698,456)** |
| At 31 December 2022 | **2,108,367** | **2,108,367** |

The provision for productivity bonus is based on employee performance during the year.

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## 30 Deferred income

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Non-current** | **1,094,611** | 1,356,534 | **1,012,843** | 1,123,575 |
| **Current** | **261,924** | 326,474 | **110,732** | 110,732 |
| | **1,356,535** | 1,683,008 | **1,123,575** | 1,234,307 |

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Opening balance | **1,683,008** | 2,064,654 | **1,234,307** | 1,345,039 |
| Grant released to profit or loss (Note 10.1) | **(326,473)** | (381,646) | **(110,732)** | (110,732) |
| Closing balance | **1,356,535** | 1,683,008 | **1,123,575** | 1,234,307 |

The deferred income is as a result of the benefit received from a below-market-interest rate government loan (CBN/BOI Intervention Fund loans) disclosed in Note 28.1. The revenue is recognised in profit or loss over the useful life of the asset financed with the loan.

## 31 Employee benefit obligations

**Defined contribution plan – Pension**

The employees of the Company, (Lafarge Africa Plc, and the subsidiary, AshakaCem Ltd,) are members of a state arranged Pension scheme (Pension Reform Act, 2014) regulated by the Nigerian government but managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions to the third party organizations, which are responsible for the financial and administrative management of the funds.

**Defined benefits plan - Gratuity**

At 31 December 2015, the Group discontinued the gratuity scheme for all qualifying staff.

The plans represents an "In-house" gratuity for employees above 50 years of age and service of above 10 years. The retirement age is 60 years and no other post-retirement benefits are provided to these employees. This is a non-funded benefit scheme as the obligation is paid as and when due. The "in house" gratuity will be paid to qualifying staff when the two conditions are fully met. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2022 by Deloitte & Touche Nigeria (Mark Shimmons, FRC/2015/NAS/00000011729). The present value of the defined benefit obligation were measured using the Projected Unit Credit Method.

Below are the details of movements and amounts recognised in the financial statements:

## 31.1 Non current

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Employee long service award scheme (Note 31.2) | **2,156,414** | 1,822,894 | **1,788,291** | 1,479,244 |
| Staff gratuities (Note 31.3) | **254,435** | 342,698 | **254,435** | 342,698 |
| | **2,410,849** | 2,165,592 | **2,042,726** | 1,821,942 |

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## 31.2 Employee long service award scheme

The amount arising from the Group and Company's obligations in respect of its employee long service award schemes is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Opening balance | **1,822,894** | 1,719,115 | **1,479,244** | 1,443,609 |
| Service cost | **166,816** | 186,406 | **146,281** | 163,537 |
| Interest cost (Note12.2) | **237,636** | 122,262 | **198,175** | 102,680 |
| Total amount recognised in profit or loss | **404,452** | 308,668 | **344,456** | 266,217 |
| | | | | |
| Remeasurements: | | | | |
| Plan amendment | **-** | - | **39,880** | (32,017) |
| (Gain)/loss from change in assumptions | **(118,282)** | (242,845) | **(103,118)** | (207,014) |
| Experience adjustment gains/(loss) | **193,904** | 131,296 | **163,173** | 83,337 |
| Total amount recognised in profit or loss | **75,622** | (111,549) | **99,935** | (155,694) |
| Benefits paid | **(146,554)** | (93,340) | **(135,344)** | (74,888) |
| **Closing balance** | **2,156,414** | 1,822,894 | **1,788,291** | 1,479,244 |

**Key assumptions**

The key actuarial assumptions used for the purpose of the actuarial valuation are as follows:

Below are key assumptions for Nigerian entities:

**Financial assumptions**

| | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| Discount rate- per annum (p.a) | **13.6%** | 13.0% |
| Inflation rate | **11.5%** | 12.0% |
| Salary inflation (p.a) | **12.0%** | 12.0% |
| Benefit escalation rate | **6.0%** | 6.0% |
| Normal retirement age | **60 years** | 60 years |

A quantitative sensitivity analysis for significant assumptions as at 31 December is as shown below:

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**Sensitivity analysis for the Company**

| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
|---|---|---|
| Base | **1,788,291** | 1,479,244 |
| Discount rate | | |
| 0.5% increase | **1,729,030** | 1,429,982 |
| 0.5% decrease | **1,850,987** | 1,531,371 |
| Salary increase rate | | |
| 0.5% increase | **1,834,362** | 1,530,568 |
| 0.5% decrease | **1,744,264** | 1,430,402 |
| Benefit escalation rate | | |
| 0.5% increase | **1,806,558** | 1,483,958 |
| 0.5% decrease | **1,771,069** | 1,474,750 |
| Mortality experience | | |
| Age rated up by 1 year | **1,797,377** | 1,473,048 |
| Age rated down by 1 year | **1,777,919** | 1,484,838 |

**Sensitivity analysis for the Group**

| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
|---|---|---|
| Base | **2,156,413** | 1,822,894 |
| Discount rate | | |
| 0.5% increase | **2,088,145** | 1,764,847 |
| 0.5% decrease | **2,228,606** | 1,884,252 |
| Salary increase rate | | |
| 0.5% increase | **2,208,493** | 1,882,833 |
| 0.5% decrease | **2,106,612** | 1,765,798 |
| Benefit escalation rate | | |
| 0.5% increase | **2,178,489** | 1,829,118 |
| 0.5% decrease | **2,135,590** | 1,816,945 |
| Mortality experience | | |
| Age rated up by 1 year | **2,166,919** | 1,815,340 |
| Age rated down by 1 year | **2,144,346** | 1,829,717 |

The weighted average liability duration for the Plan is 6.01 years. The average weighted duration of the longest Nigerian Government bond as at 31st December 2021 was 6.09 years with a gross redemption yield of 12.9%. We have adopted a discount rate of 12.8% for the current year.

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## 31.3 Staff gratuities

The amount arising from the Group's obligations in respect of its staff gratuities is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Opening balance | **342,698** | 565,573 | **342,698** | 565,573 |
| Interest cost | **35,543** | 29,400 | **35,543** | 29,400 |
| Plan amendment | **(20,246)** | - | **(20,246)** | - |
| Total amount recognised in profit or loss | **15,297** | 29,400 | **15,297** | 29,400 |
| | | | | |
| Remeasurement: | | | | |
| (Gain) due to financial assumptions | **(6,693)** | (83,590) | **(6,693)** | (83,590) |
| (Gain) due to demographic assumption | **(4)** | - | **(4)** | - |
| (Gain) due to experience | **4,312** | (87,274) | **4,312** | (87,274) |
| Total amount recognised in other comprehensive income | **(2,385)** | (170,864) | **(2,385)** | (170,864) |
| Benefits paid (Note 34.1.6) | **(101,175)** | (81,411) | **(101,175)** | (81,411) |
| Closing balance | **254,435** | 342,698 | **254,435** | 342,698 |

Below are key assumptions for Nigerian entities:

i) 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.

| Age | Number of deaths in year in the year out of 10,000 lives. |
|---|---|
| **25** | **7** |
| **30** | **7** |
| **35** | **9** |
| **40** | **14** |
| **45** | **26** |

## ii) Withdrawal from Service

| Age band | Rate |
|---|---|
| **Less than or equal to 30** | **4%** |
| **31-39** | **3%** |
| **40-44** | **1%** |
| **45-54** | **1%** |
| **55-59** | **0%** |

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**iii)** A quantitative sensitivity analysis for significant assumptions as at 31 December is as shown below:

**Sensitivity analysis for the Group and Company**

| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
|---|---|---|
| Base | **254,435** | 342,698 |
| Discount rate: | | |
| 0.5% increase | **250,555** | 337,160 |
| 0.5% decrease | **258,433** | 348,418 |
| Mortality experience: | | |
| Age rated up by 1 year | **254,606** | 342,174 |
| Age rated down by 1 year | **254,250** | 343,166 |

The company has applied the discount rate of 13.73% per annum as at 31st December 2022 (2021: 12.01%)

## 32 Trade and other payables

**Trade payables**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Trade payables | **26,798,891** | 17,817,698 | **23,702,343** | 15,990,324 |
| | **26,798,891** | 17,817,698 | **23,702,343** | 15,990,324 |
| Other payables: | | | | |
| Related party - technical service fee (Note 32.1, 37.4) | **5,229,017** | 4,298,825 | **4,811,001** | 4,298,825 |
| Related companies (Note 37.5) | **10,022,761** | 3,882,324 | **30,011,223** | 22,893,620 |
| Withholding tax payable | **2,382,573** | 1,455,980 | **2,382,573** | 1,469,805 |
| Value added tax payable | **999,360** | 466,345 | **860,364** | 466,179 |
| Accruals (Note 32.2) | **5,291,210** | 7,873,451 | **3,011,069** | 7,192,865 |
| Other liabilities (Note 32.5) | **15,000,537** | 10,520,709 | **11,023,248** | 6,890,165 |
| Dividend payable (Note 32.3) | **15,073,151** | 13,500,412 | **15,073,151** | 13,500,412 |
| | **53,998,609** | 41,998,046 | **67,172,629** | 56,711,871 |
| | **80,797,500** | 59,815,744 | **90,874,972** | 72,702,195 |

## 32.1 LafargeHolcim Technical service fees

This represents the outstanding liability on the Industrial Franchise Agreement with LafargeHolcim of Switzerland. The terms of the agreements include:

- The right for Lafarge Africa Plc to use technical research and development information relating to production and distribution of cement products

- The provision by LafargeHolcim of technical and operational support through the secondment of suitably qualified expatriate personnel, as requested by Lafarge Africa Plc and approved by the Federal Government of Nigeria.

- The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.

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## 32.2 Accruals

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Freight/ logistics | **181,365** | 28,678 | **181,365** | 28,678 |
| Capital expenses | **-** | 19,001 | **-** | - |
| Quarry/landed cost | **23,032** | 36,199 | **-** | - |
| Plant accruals | **2,601,778** | 6,300,006 | **2,292,688** | 6,148,547 |
| Power | **1,948,019** | 274,728 | **-** | 1,527 |
| Employee related accrual | **537,016** | 224,442 | **537,016** | 139,575 |
| Others | **-** | 940,397 | **-** | 874,538 |
| | **5,291,210** | 7,873,451 | **3,011,069** | 7,192,865 |

## 32.3 Dividend Payable

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| At 1 January | **13,500,412** | 8,594,829 | **13,500,412** | 8,594,829 |
| Dividend declared | **16,107,796** | 32,215,591 | **16,107,796** | 32,215,591 |
| Payment to the equity holders of the parent | **(14,535,057)** | (27,310,008) | **(14,535,057)** | (27,310,008) |
| At 31 December | **15,073,151** | 13,500,412 | **15,073,151** | 13,500,412 |

The outstanding dividend payable as at December 31, 2022 was ₦15.07 billion (2021: ₦13.5 billion).

## 32.4 Dividend paid

The following dividend was paid during the year:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Caricement B.V | **7,454,627** | 14,758,199 | **7,454,627** | 14,758,199 |
| Associated International Cement Ltd | **4,473,045** | 7,337,039 | **4,473,045** | 7,337,039 |
| Other equity holders | **2,607,385** | 5,214,770 | **2,607,385** | 5,214,770 |
| Total | **14,535,057** | 27,310,008 | **14,535,057** | 27,310,008 |

**32.5** Included in the other liabilities are pension fund liability, customers rebate liability, non income tax and capital expenditures payable.

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## 33 Contract liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Contract liabilities** | **46,019,970** | 43,361,653 | **40,410,912** | 36,414,142 |

**This represents advance payment from customers for the supply of cement and readymix products not yet delivered as at year end.

## 34 Additional cash flow information

### 34.1 Working capital adjustments:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| (Increase) in inventories (Note 34.1.1) | **(9,597,784)** | (13,955,936) | **(6,767,703)** | (14,188,284) |
| Decrease / (increase) in trade and other receivables (Note 34.1.2) | **411,760** | (2,193,445) | **(11,179,832)** | (6,145,830) |
| (Increase) in other assets (Note 34.1.3) | **(28,503,447)** | (10,415,465) | **(27,060,525)** | (10,577,766) |
| Decrease / (increase) in other financial assets (Note 34.1.4) | **19,014,529** | (18,970,791) | **18,961,576** | (18,913,515) |
| Increase in trade and other payables (Note 34.1.5) | **17,415,510** | (198,838) | **15,028,332** | 8,427,252 |
| Increase in contract liabilities | **2,658,317** | 20,626,473 | **3,996,770** | 19,166,948 |
| | **1,398,885** | (25,108,002) | **(7,021,382)** | (22,231,195) |

**34.1.1** Reconciliation of changes in inventories included in statement of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Movement in inventories | **(8,032,946)** | (13,957,531) | **(5,239,711)** | (14,189,879) |
| Reclassification to Property, plant and equipment (Note15) | **(1,564,838)** | 1,595 | **(1,527,992)** | 1,595 |
| Movement as per the Statement of Cashflows | **(9,597,784)** | (13,955,936) | **(6,767,703)** | (14,188,284) |

**34.1.2** Reconciliation of changes in trade and other receivables included in statement of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Movement in trade and other receivables | **842,929** | (2,167,842) | **(10,772,696)** | (6,121,369) |
| Reclassification of Impairment loss on trade receivables (Note 21.3) | **(431,169)** | (25,603) | **(407,136)** | (24,461) |
| Movement as per the Statement of Cashflows | **411,760** | (2,193,445) | **(11,179,832)** | (6,145,830) |

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**34.1.3** Reconciliation of changes in other assets included in statement of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Movement in other assets | **(28,503,447)** | (9,767,044) | **(27,060,525)** | (9,929,345) |
| Reclassification of prepayments for construction expenditure (Note 15) | **-** | (648,421) | **-** | (648,421) |
| Movement as per the Statement of Cashflows | **(28,503,447)** | (10,415,465) | **(27,060,525)** | (10,577,766) |

**34.1.4** Reconciliation of changes in other financial assets included in statement of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Movement in other financial assets | **19,014,529** | (16,339,301) | **18,961,576** | (16,282,025) |
| Reclassication of long term financial receivables from joint venture | **-** | (2,631,490) | **-** | (2,631,490) |
| Movement as per the Statement of Cashflows | **19,014,529** | (18,970,791) | **18,961,576** | (18,913,515) |

**34.1.5** Reconciliation of changes in trade and other payables included in statement of cash flows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Movement in trade and other payables | **20,981,756** | 5,693,150 | **18,172,777** | 13,510,940 |
| Reclassification of dividend payable (Note 32.3) | **(1,572,739)** | (4,905,583) | **(1,572,739)** | (4,905,583) |
| Accruals on Property plant and Equipment (Note 15.1) | **(1,993,507)** | (986,405) | **(1,571,706)** | (178,105) |
| Movement as per the Statement of Cashflows | **17,415,510** | (198,838) | **15,028,332** | 8,427,252 |

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**34.1.6** Provisions and net movement on employee benefit

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Retirement benefit obligations - Plan amendment/curtailment (Note 31.3) | **(20,246)** | - | **(20,246)** | - |
| Employee Long Service Award - service cost (Note 31.2) | **166,816** | 186,406 | **146,281** | 163,537 |
| Productivity bonus payment (Note 29.2) | **(1,939,384)** | (1,467,976) | **(1,698,456)** | (1,282,720) |
| Staff gratuity benefits paid (Note 31.3) | **(101,175)** | (81,411) | **(101,175)** | (81,411) |
| Employee Long service award benefits paid (Note 31.2) | **(146,554)** | (93,340) | **(135,344)** | (74,888) |
| Remeasurement (gains) / losses – Long service awards (Note 29.2) | **75,622** | (111,549) | **99,935** | (123,677) |
| Provision for productivity bonus for the year | **1,373,888** | 1,741,973 | **1,235,014** | 1,449,033 |
| | **(591,033)** | 174,103 | **(473,991)** | 49,874 |

**34.2** In the statement of cash flows, profit on sale of property, plant and equipment (PPE) comprise:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Proceeds from sale of property, plant and equipment- (cash) | **68,869** | 15,647 | **68,868** | 15,647 |
| Proceeds from sale of property, plant and equipment- (non cash) | **127,695** | 126,070 | **127,695** | 126,070 |
| Net book value of property, plant and equipment disposed | **(171,967)** | (51,975) | **(171,966)** | (51,975) |
| Gain on sale of property, plant and equipment (Note 10) | **24,597** | 89,742 | **24,597** | 89,742 |

## 34.3 Other non cash items

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Gain on sale of property plant and equipment (Note 10) | **(24,597)** | (89,742) | **(24,597)** | (89,742) |
| Impairment loss on trade and other receivables (Note 22.3) | **431,169** | 25,603 | **407,136** | 24,461 |
| Movement in site restoration cost | **439,928** | 452,520 | **107,757** | 301,279 |
| Gain on disposal of investment in joint venture (Note 10) | **-** | (133,922) | **-** | (133,922) |
| Government grants (Note 10) | **(326,473)** | (381,646) | **(110,732)** | (110,732) |
| | **520,027** | (127,187) | **379,564** | (8,656) |

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## 35 Commitments for expenditure

Capital expenditure contracted for at the reporting period end but not recognised in the financial statements is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Capital expenditure commitments | | | | |
| Approved and contracted for | **6,174,496** | 4,960,805 | **6,174,496** | 4,960,805 |
| | **6,174,496** | 4,960,805 | **6,174,496** | 4,960,805 |
| **Operating expenditure commitments** | | | | |
| Commitments for the supply of gas (Note 35.1) | **214,299,398** | 160,351,137 | **214,299,398** | 160,351,137 |
| Commitments for the supply of power (Note 35.2) | **7,196,962** | 9,253,083 | **7,196,962** | 9,253,083 |
| Guarantee for gas commitment (Mfamosing project) | **1,654,596** | 1,654,596 | **1,654,596** | 1,654,596 |
| Guarantee for power services | **-** | 654,395 | **-** | 654,395 |
| Guarantee for truck financing | **1,617,567** | 16,676,847 | **1,617,567** | 16,676,847 |
| | **224,768,523** | 188,590,058 | **224,768,523** | 188,590,058 |

**35.1** This represents the total commitments with respect to termination payment clause on gas contracts. This amount is made up of ₦62.7 billion relating to gas supply contract with a vendor for the supply of gas to Mfamosing Plant, ₦148.5 billion relating to another gas supply contract with a vendor for the supply of gas to Ewekoro and Shagamu Plants.

**35.2** Commitments for the supply of power represents the fixed cost commitment on a monthly basis for the supply of power to the Ewekoro and Mfamosing plant for period of ten years from the effective date of the contract ( ₦3.9 billion). Also included is the additional fixed cost committment for the supply of power to Ewekoro plant for the period of five years ( ₦3.2 billion).

## 36 Contingent liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Lafarge Africa Plc** | | | | |
| Various litigations and claims (Note 36.1) | **3,134,417** | 3,445,842 | **3,134,417** | 3,445,842 |
| Letters of credit (Note 36.2) | **20,550,258** | 13,262,483 | **19,757,093** | 13,262,483 |
| Pension audit | **2,100,442** | 1,700,797 | **2,100,442** | 1,700,797 |
| | **25,785,117** | 18,409,122 | **24,991,952** | 18,409,122 |

**36.1** The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigations and other claims amounted to ₦3.1 billion (2021: ₦3.4 billion), amongst other claims for the Group and Company respectively.

The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Thus the possible obligation has not been provided for in the financial statements.

**36.2** This represents letters of credit which have been opened but shipment of items has not been initiated and as such risks and rewards have not been transferred to the Group and Company as at year end.

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## 37 Related party transactions

### 37.1 Ultimate parent entity

The ultimate parent entity of the Group is Holcim, incorporated in Switzerland.

In the normal course of business, Lafarge Africa Plc sells cement to other subsidiaries of the ultimate shareholder.

The Company receives technical assistance from the majority shareholder which is paid for under the Industrial Franchise Agreement (see Note 9.4).

### 37.2 Subsidiaries

Subsidiaries are set out in Note 17.1.

### 37.3 Transactions with related parties

The following transactions occurred with related parties during the year:

**Sales of goods and services**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| AshakaCem Limited | - | - | 1,223,198 | 2,094,694 |
| **Total transaction value** | - | - | 1,223,198 | 2,094,694 |

**Purchase of goods and services**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Lafarge Holcim Trading | 3,292,117 | 8,223,888 | 3,292,117 | 8,223,888 |
| **Total transaction value** | 3,292,117 | 8,223,888 | 3,292,117 | 8,223,888 |

Goods were sold to related parties during the year based on normal commercial terms and conditions and at market rates.

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| | Nature of transaction | Group 31 Dec 2022 ₦'000 | Group 31 Dec 2021 ₦'000 | Company 31 Dec 2022 ₦'000 | Company 31 Dec 2021 ₦'000 |
|---|---|---|---|---|---|
| **Others** | | | | | |
| AshakaCem Limited | Recharges | **-** | - | **16,703,368** | 6,140,681 |
| Holcim Group Services Ltd | Services Related | **23,945** | - | **23,945** | - |
| Holcim Ltd | IT Services | **957,042** | - | **957,042** | - |
| Lafarge Cement Technical Center Vienna GmbH | Services Related | **5,628** | - | **5,628** | - |
| Holcim Trading S.A. | Fuel | **103,118** | 112,107 | **103,118** | 112,107 |
| Lafarge Cement Egypt S.A.E. | Employee Related | **-** | 275,756 | | 265,898 |
| Holcim Technology Ltd | Technical Fees | **2,112,530** | 2,883,862 | **2,112,530** | 2,883,862 |
| Holcim (Maroc) S.A. | Fuel | **-** | 13,695 | | 13,695 |
| Lafarge Intern Serv Singapore | Employee Related | **1,563,443** | 691,662 | **1,290,847** | 618,193 |
| Lafargeholcim España, S.A.U. | Payroll and other personnel recharges | **-** | 818,689 | **-** | 818,689 |
| LafargeHolcim Investment Ltd | Payroll and other personnel recharges | **23,039** | 5,692 | **23,039** | 5,692 |
| **Total transaction value** | | **4,788,745** | 4,801,463 | **21,219,517** | 10,858,817 |

## 37.4 Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

| | Group 31 Dec 2022 ₦'000 | Group 31 Dec 2021 ₦'000 | Company 31 Dec 2022 ₦'000 | Company 31 Dec 2021 ₦'000 |
|---|---|---|---|---|
| **Trade receivables:** | | | | |
| AshakaCem Limited | **-** | - | **1,223,198** | 4,804,757 |
| | **-** | - | **1,223,198** | 4,804,757 |
| **Technical fees:** | | | | |
| Lafarge S.A Paris | **418,016** | 418,016 | **418,016** | 418,016 |
| Holcim Technology Ltd | **4,811,001** | 3,880,809 | **4,392,985** | 3,880,809 |
| | **5,229,017** | 4,298,825 | **4,811,001** | 4,298,825 |

The sale of goods to/from related parties was carried out on commercial terms and conditions.Hence, the Directors are of the opinion that there is no conflict of interests. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

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## 37.5 Other receivables from and payables to related parties

| | | | Group | | Company | |
|---|---|---|---|---|---|---|
| | | | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Other receivables** | | | | | | |
| AshakaCem Limited | Subsidiary | Back end expenses and System, application & support cost | **-** | - | **36,130,237** | 20,650,067 |
| Lafarge S.A. | Fellow subsidiary | Back end expenses. | **124,596** | 100,909 | **93,623** | 72,381 |
| LafargeHolcim Energy Solutions | Fellow subsidiary | Back end expenses. | **-** | - | **-** | - |
| LafargeHolcim Middle East & Africa IT Service Center | Fellow subsidiary | Back end expenses. | **-** | - | **-** | - |
| Holcim Group Services Ltd | Fellow subsidiary | Back end expenses. | **556,181** | 329,152 | **538,424** | 329,152 |
| Holcim Technology Ltd | Fellow subsidiary | Back end expenses. | **-** | 8,680 | **-** | - |
| Lafarge Industries South Africa (PTY) Ltd | Fellow subsidiary | Back end expenses. | **47,487** | 39,206 | **47,487** | 39,206 |
| | | | **728,264** | 477,947 | **36,809,771** | 21,090,806 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 31 DECEMBER 2022**

## 37.5 Other receivables from and payables to related parties

| | | | Group | | Company | |
|---|---|---|---|---|---|---|
| | | | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Other payables** | | | | | | |
| Lafarge S.A | Fellow subsidiary | Back end expenses. | **254,110** | 12,705 | **254,110** | 12,705 |
| Holcim technology limited | Fellow subsidiary | Back end expenses. | **4,484,023** | 698,742 | **4,664,103** | 572,162 |
| AshakaCem Limited | Subsidiary | Back end expenses. | **-** | - | **20,657,509** | 19,518,325 |
| Holcim Group Services Ltd | Fellow subsidiary | Back end expenses. | **-** | 12,142 | **-** | - |
| Lafarge MEA Building Materials S.A.E | Fellow subsidiary | Back end expenses. | **504,133** | 345,778 | **489,400** | 332,703 |
| Holcim Trading S.A. | Fellow subsidiary | Back end expenses. | **2,656,641** | - | **2,656,641** | - |
| Technical Center Europe-Africa | Fellow subsidiary | Back end expenses. | **-** | 8,815 | **-** | 8,815 |
| LafargeHolcim Middle East & Africa IT Service Center | Fellow subsidiary | Back end expenses. | **-** | 1,081,200 | **-** | 1,081,200 |
| Lafarge International Services Singapore Pte Ltd | Fellow subsidiary | Back end expenses. | **1,310,221** | 669,955 | **842,959** | 487,849 |
| Lafarge Industries South Africa (PTY) Ltd | Fellow subsidiary | Back end expenses. | **-** | - | **-** | - |
| Holcim España, S.A.U. | Fellow subsidiary | Back end expenses. | **48,560** | 21,891 | **48,560** | 21,891 |
| Lafargeholcim Building Materials (China) Co., Ltd | Fellow subsidiary | Back end expenses. | **-** | 7,586 | **-** | - |
| LH Trading Ltd | Fellow subsidiary | Back end expenses. | **-** | 634,278 | **-** | 634,278 |
| Lafargeholcim Maroc | Fellow subsidiary | Back end expenses. | **105,565** | 48,074 | **105,565** | 48,074 |
| Lafarge Cement Technical Center Vienna Gmbh | Fellow subsidiary | Back end expenses. | **11,228** | 2,382 | **11,228** | 2,382 |
| Lafarge Cement Egypt S.A.E. | Fellow subsidiary | Back end expenses. | **258,008** | 170,452 | **256,649** | 169,788 |
| Lafarge A&C Technical Service (Beijing) Co Ltd | Fellow subsidiary | Back end expenses. | **13,651** | - | **-** | - |
| Lafarge Asia Sdn Bhd (Asia Technical Center) | Fellow subsidiary | Back end expenses. | **251,171** | 115,589 | **-** | - |
| LafargeHolcim Investment Ltd | Fellow subsidiary | Back end expenses. | **125,450** | 52,735 | **24,499** | 3,448 |
| Wapsila Nigeria Limited | Fellow subsidiary | Investment | **-** | - | **-** | - |
| | | | **10,022,761** | 3,882,324 | **30,011,223** | 22,893,620 |

***Back end expenses relates to charge back of employee related costs, IT services and other administrative expenses.

## 37.6 Loans from related parties

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| AshakaCem Limited | **-** | - | **999,203** | 894,702 |
| | **-** | - | **999,203** | 894,702 |

## 37.7 Key management personnel compensation

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| **Key management personnel** | | | | |
| Salaries and other short term employee benefits | **1,732,049** | 1,452,250 | **1,732,049** | 1,452,250 |
| Post-employment benefits | **100,530** | 90,468 | **100,530** | 90,468 |
| **Total** | **1,832,579** | 1,542,718 | **1,832,579** | 1,542,718 |

## 38 Directors and employees

**Directors**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Directors' emolument comprises: | | | | |
| Salaries/fees | **639,762** | 418,431 | **639,762** | 418,431 |
| Sitting allowance and other benefits | **216,357** | 159,576 | **216,357** | 159,576 |
| | **856,119** | 578,007 | **856,119** | 578,007 |

Fees and other emoluments disclosed above include amounts paid to:

| | Salaries/Fees | | Sitting allowance | | Other benefits | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 | 2022 ₦'000 | 2021 ₦'000 |
| **Executive Director** | | | | | | | | |
| Khaled Abdel Aziz El Dokani | **452,442** | 288,613 | **-** | - | **181,194** | 102,815 | **633,636** | 391,428 |
| Lolu Alade-Akinyemi | **145,320** | 95,818 | **-** | - | **10,091** | 9,091 | **155,411** | 104,909 |
| **Non- Executive Directors** | | | | | | | | - |
| Adebode Adefioye | **10,000** | 10,000 | **3,600** | 11,604 | **-** | - | **13,600** | 21,604 |
| Adenike Ogunlesi | **8,000** | 8,000 | **4,008** | 7,222 | **-** | - | **12,008** | 15,222 |
| Elenda Giwa- Amu | **8,000** | - | **5,688** | 12,640 | **-** | - | **13,688** | 12,640 |
| Karine Uzan Mercie | **-** | - | **-** | - | **-** | - | **-** | - |
| Marco Licata | **-** | - | **-** | - | **-** | - | **-** | - |
| Grant Earnshaw | **-** | - | **-** | - | **-** | - | **-** | - |
| Gbenga Oyebode MFR | **8,000** | 8,000 | **5,288** | 8,844 | **-** | - | **13,288** | 16,844 |
| Oyinkan Adewale FCA | **8,000** | 8,000 | **6,488** | 7,360 | **-** | - | **14,488** | 15,360 |
| | **639,762** | 418,431 | **25,072** | 47,670 | **191,285** | 111,906 | **856,119** | 578,007 |

Salaries/Fees represent annual remuneration, bonus paid, long term benefits and pensions, while other benefits are related to other personnel costs.

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**Employees**

The average number of employees employed during the year was:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2021 |
| Managerial staff | **1,056** | 1,066 | **894** | 895 |
| Senior staff | **112** | 109 | **106** | 102 |
| Junior staff | **175** | 176 | **72** | 73 |
| | **1,343** | 1,351 | **1,072** | 1,070 |

The aggregate payroll costs were:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 | 31 Dec 2022 ₦'000 | 31 Dec 2021 ₦'000 |
| Wages, salaries, allowances and other benefits | **22,737,659** | 23,697,739 | **19,313,569** | 21,134,236 |
| Pension and social benefits | **1,159,325** | 1,334,693 | **1,004,615** | 1,144,046 |
| Staff training | **354,906** | 365,329 | **350,437** | 355,796 |
| | **24,251,890** | 25,397,761 | **20,668,621** | 22,634,078 |

The number of employees with gross emoluments within the ranges below were:

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2022 Number | 31 Dec 2021 Number | 31 Dec 2022 Number | 31 Dec 2021 Number |
| Range (₦) | | | | |
| Up to 1,000,000 | **18** | 19 | **14** | 14 |
| 1,000,001 - 3,000,000 | **77** | 90 | **53** | 74 |
| 3,000,001 - 5,000,000 | **370** | 163 | **233** | 71 |
| 5,000,001 - 7,000,000 | **346** | 373 | **279** | 271 |
| 7,000,001 - 10,000,000 | **213** | 349 | **190** | 311 |
| Above 10,000,000 | **319** | 357 | **303** | 329 |
| | **1,343** | 1,351 | **1,072** | 1,070 |

## 39 Events after the reporting period

There are no events which could have had a material effect on the financial position of the Group and Company as at 31 December 2022 and Group and company financial performance for the year ended that have not been adequately provided for or disclosed in these financial statements.

# OTHER NATIONAL DISCLOSURES

# CONSOLIDATED AND SEPARATE STATEMENTS OF VALUE ADDED

## FOR THE YEAR ENDED 31 DECEMBER 2022

| Group | 31 Dec 2022 ₦'000 | % | 31 Dec 2021 ₦'000 | % |
|---|---|---|---|---|
| Revenue | **373,244,938** | **354** | 293,086,183 | 256 |
| Bought in materials and services | | | | |
| Local | **(289,131,033)** | **(274)** | (171,173,915) | (149) |
| Imported | **19,292,955** | **18** | (9,734,167) | (8) |
| | | | | - |
| Other income and finance income | **2,091,379** | **2** | 2,427,345 | 1 |
| **Value added** | **105,498,239** | **100** | 114,605,446 | 100 |
| | | | | |
| Applied as follows: | | | | |
| **To pay employees** | | | | |
| Wages, salaries and other benefits | **24,251,890** | **23** | 25,397,761 | 22 |
| | | | | |
| **To pay providers of capital:** | | | | |
| Interest on borrowings | **766,862** | **1** | 3,763,760 | 3 |
| | | | | |
| **To pay government:** | | | | |
| Income tax expense | **2,047,779** | **2** | 3,008,585 | 3 |
| | | | | |
| **Retained in the business** | | | | |
| **To maintain and replace:** | | | | |
| Depreciation of property, plant and equipment | **24,784,252** | **24** | 31,431,791 | 27 |
| Intangible assets | **-** | **-** | - | - |
| To augument reserves | **53,647,456** | **51** | 51,003,549 | 45 |
| **Value added** | **105,498,239** | **100** | 114,605,446 | 100 |

| Company | 31 Dec 2022 ₦'000 | % | 31 Dec 2021 ₦'000 | % |
|---|---|---|---|---|
| Revenue | **340,633,999** | **340** | 262,299,071 | 239 |
| Bought in materials and services | | | | |
| Local | **(220,964,735)** | **(221)** | (145,818,794) | (133) |
| Imported | **(21,341,468)** | **(21)** | (8,920,280) | (8) |
| Other income and finance income | **1,790,747** | **2** | 2,315,357 | 2 |
| **Value added** | **100,118,543** | **100** | 109,875,354 | 100 |
| | | | | |
| Applied as follows: | | | | |
| **To pay employees** | | | | |
| Wages, salaries and other benefits | **20,668,621** | **21** | 22,634,078 | 21 |
| | | | | |
| **To pay providers of capital:** | | | | |
| Interest on borrowings | **512,033** | **1** | 3,380,277 | 3 |
| | | | | |
| **To pay government:** | | | | |
| Income tax expense | **1,981,209** | **2** | 1,666,450 | 2 |
| | | | | |
| **Retained in the business** | | | | |
| **To maintain and replace:** | | | | |
| Depreciation of plant, property and equipment | **21,924,220** | **21** | 28,738,637 | 26 |
| To augument reserves | **55,032,460** | **55** | 53,455,912 | 49 |
| **Value added** | **100,118,543** | **100** | 109,875,354 | 100 |

# FIVE YEAR FINANCIAL SUMMARY - GROUP

## FOR THE YEAR ENDED 31 DECEMBER 2022

| Group | 2022 ₦'000 | 2021 ₦'000 | 2020 ₦'000 | 2019 ₦'000 | 2018 ₦'000 |
|---|---|---|---|---|---|
| **Financial position** | | | | | |
| **Capital employed:** | | | | | |
| Ordinary share capital | **8,053,899** | 8,053,899 | 8,053,899 | 8,053,899 | 4,336,715 |
| Share premium | **435,148,731** | 435,148,731 | 435,148,731 | 435,148,731 | 350,945,748 |
| Retained earnings | **227,028,432** | 189,487,103 | 170,579,540 | 155,801,325 | 138,272,355 |
| Foreign currency translation reserve | **-** | - | (14,611) | 39,103 | 9,364,261 |
| Other reserves on business combination and re-organisation | **(254,129,057)** | (254,129,057) | (254,129,057) | (254,129,057) | (368,683,312) |
| Non-controlling interest | **-** | - | - | - | 305,322 |
| **Total equity** | **416,102,005** | 378,560,676 | 359,638,502 | 344,914,001 | 134,541,089 |
| | | | | | |
| **Represented by:** | | | | | |
| Property, plant & equipment | **341,458,500** | 338,721,747 | 348,328,150 | 369,797,229 | 394,488,764 |
| Intangible assets | **91,182** | 713,746 | 1,939,210 | 3,202,068 | 6,194,518 |
| Investment in joint ventures | **-** | - | 379,432 | - | - |
| Other financial assets | **-** | - | 964,796 | 767,253 | 1,301,148 |
| Other assets | **60,851,702** | 35,535,403 | 29,127,048 | 20,345,783 | 16,671,760 |
| Deferred tax assets | **2,031,419** | 15,292,417 | 23,404,073 | 27,994,154 | 28,720,032 |
| Net current assets/(liabilities) | **27,895,840** | 5,521,795 | (24,484,811) | (9,366,049) | (119,289,276) |
| | **432,328,643** | 395,785,108 | 379,657,898 | 412,740,438 | 328,086,946 |
| | | | | | |
| Borrowings | **(1,530,387)** | (2,482,049) | (5,139,600) | (52,664,863) | (172,373,209) |
| Deferred tax liabilities | **(8,472,328)** | (9,116,700) | (9,401,523) | (9,966,699) | (10,200,112) |
| Provisions | **(2,718,463)** | (2,103,557) | (1,510,577) | (1,011,285) | (3,645,751) |
| Deferred revenue | **(1,094,611)** | (1,356,534) | (1,683,008) | (2,307,466) | (2,597,602) |
| Employee benefits obligation | **(2,410,849)** | (2,165,592) | (2,284,688) | (1,876,124) | (4,729,183) |
| **Net assets** | **416,102,005** | 378,560,676 | 359,638,502 | 344,914,001 | 134,541,089 |
| **Net assets per share (Kobo)** | **2,583** | 2,350 | 2,233 | 1,551 | 2,816 |

Net assets per share is calculated by dividing net assets of the Group by the number of ordinary shares outstanding at the end of the reporting period.

| | 2022 ₦'000 | 2021 ₦'000 | 2020 ₦'000 | 2019 ₦'000 | 2018 ₦'000 |
|---|---|---|---|---|---|
| **Financial result** | | | | | |
| Revenue | **373,244,938** | 293,086,183 | 230,572,922 | 212,999,066 | 308,425,456 |
| Profit/(loss) before minimum tax | **69,744,701** | 62,254,478 | 37,572,131 | 17,892,285 | (19,508,228) |
| Profit/(loss) for the year | **53,647,456** | 51,003,549 | 30,842,138 | 15,517,786 | (8,801,726) |
| Dividend proposed | **32,215,591** | 32,215,591 | 16,107,796 | 16,107,796 | - |
| | | | | | |
| Per share data (Kobo) | | | | | |
| Earnings - Basic (continuing operations) | **333** | 317 | 191 | 96 | (105) |
| Earnings - Basic (continuing & discontinued operations) | **333** | 317 | 191 | 715 | - |
| Dividend proposed (kobo) | **200** | 200 | 100 | 100 | - |
| Dividend cover (times) | **1.67** | 1.58 | 1.91 | 0.96 | - |
| **Net assets per share (Kobo)** | **2,583** | 2,350 | 2,233 | 2,141 | 1,551 |

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding at the end of the reporting period.

# FIVE YEAR FINANCIAL SUMMARY - COMPANY

## FOR THE YEAR ENDED 31 DECEMBER 2022

| Company | 2022 ₦'000 | 2021 ₦'000 | 2020 ₦'000 | 2019 ₦'000 | 2018 ₦'000 |
|---|---|---|---|---|---|
| **Financial position** | | | | | |
| Capital employed: | | | | | |
| Ordinary share capital | **8,053,899** | 8,053,899 | 8,053,899 | 8,053,899 | 4,336,715 |
| Share premium | **435,148,731** | 435,148,731 | 435,148,731 | 435,148,731 | 350,945,748 |
| Retained earnings | **184,751,152** | 145,824,819 | 124,464,893 | 111,857,805 | 92,140,223 |
| Foreign currency translation reserve | **-** | - | (14,611) | 39,103 | 39,103 |
| Other reserves on business combination and re-organisation | **(193,677,979)** | (193,677,979) | (193,677,979) | (193,677,979) | (191,718,064) |
| **Total equity** | **434,275,803** | 395,349,470 | 373,974,933 | 361,421,559 | 255,743,725 |
| **Represented by:** | | | | | |
| Property, plant & equipment | **276,696,636** | 273,704,651 | 287,447,215 | 308,650,770 | 291,775,732 |
| Intangible assets | **91,181** | 578,322 | 1,524,264 | 2,506,810 | 3,204,505 |
| Investments in subsidiaries | **63,906,867** | 63,906,867 | 63,906,867 | 63,906,867 | 178,923,532 |
| Investment in joint venture | **-** | - | 379,432 | - | - |
| Other financial assets | **-** | - | 964,796 | 767,253 | 1,134,509 |
| Other assets | **57,167,949** | 32,699,442 | 28,657,973 | 18,772,032 | 15,073,457 |
| Deferred tax assets | **2,031,419** | 15,292,417 | 23,404,073 | 27,994,154 | 27,950,907 |
| Net current assets/(liabilities) | **39,356,202** | 14,016,327 | (25,474,680) | (11,732,271) | (114,241,023) |
| | **439,250,254** | 400,198,026 | 380,809,940 | 410,865,615 | 403,821,619 |
| Borrowings | **(529,850)** | (709,077) | (2,774,394) | (45,899,963) | (144,391,743) |
| Provisions | **(1,389,034)** | (1,193,962) | (817,124) | (547,403) | (618,970) |
| Deferred revenue | **(1,012,843)** | (1,123,575) | (1,234,307) | (1,345,039) | (1,455,770) |
| Employee benefits obligation | **(2,042,726)** | (1,821,942) | (2,009,182) | (1,651,651) | (1,611,411) |
| **Net assets** | **434,275,803** | 395,349,470 | 373,974,933 | 361,421,559 | 255,743,725 |
| **Net assets per share (Kobo)** | **2,696** | 2,454 | 2,322 | 4,488 | 2,949 |

Net assets per share is calculated by dividing net assets of the Group by the number of ordinary shares outstanding at the end of the reporting period.

| | 2022 ₦'000 | 2021 ₦'000 | 2020 ₦'000 | 2019 ₦'000 | 2018 ₦'000 |
|---|---|---|---|---|---|
| **Financial result** | | | | | |
| Revenue | **340,633,999** | 262,299,071 | 202,530,359 | 188,407,004 | 187,043,475 |
| Profit/(loss) before minimum tax | **71,537,203** | 63,649,528 | 34,319,046 | 24,318,017 | (7,408,583) |
| Profit/(loss) for the year | **55,032,460** | 53,455,912 | 28,714,884 | 22,721,616 | 4,141,764 |
| Dividend proposed | **32,215,591** | 32,215,591 | 16,107,796 | 16,107,796 | - |
| Per share data (Kobo) | | | | | |
| Earnings - Basic (continuing & discontinued operations) | **342** | 332 | 178 | 141 | 48 |
| Earnings - Basic (discontinued operations) | **342** | 333 | 178 | 141 | - |
| Dividend proposed (kobo) | **200** | 200 | 100 | 100 | - |
| Dividend cover (times) | **1.71** | 1.66 | 1.78 | 1 | - |
| Net assets per share (Kobo) | **2,696** | 2,454 | 2,322 | 2,244 | 2,949 |

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding at the end of the reporting period.

# SHARE CAPITAL HISTORY

| | AUTHORIZED | | FULLY PAID UP | | | |
|---|---|---|---|---|---|---|
| YEAR | NUMBER OF SHARES | VALUE (NAIRA) | NOMINAL VALUE | NUMBER ISSUED | VALUE (NAIRA) | REMARKS |
| 1959 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1960 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1961 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1962 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1963 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1964 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1965 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1966 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1967 | 3,000,000 | 6,000,000 | AT N2.00 EACH | 2,000,000 | 4,000,000 | - |
| 1968 | 12,000,000 | 6,000,000 | AT N0.50 EACH | 8,000,000 | 4,000,000 | SHARE SPLIT |
| 1969 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1970 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1971 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1972 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1973 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1974 | 14,000,000 | 7,000,000 | AT N0.50 EACH | 14,000,000 | 7,000,000 | - |
| 1975 | 36,000,000 | 18,000,000 | AT N0.50 EACH | 36,000,000 | 18,000,000 | PREFERENCE SHARE |
| 1976 | 36,000,000 | 18,000,000 | AT N0.50 EACH | 36,000,000 | 18,000,000 | - |
| 1977 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | SPECIAL ALLOTMENT |
| 1978 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | - |
| 1979 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | - |
| 1980 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | - |
| 1981 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | - |
| 1982 | 72,000,000 | 36,000,000 | AT N0.50 EACH | 60,300,000 | 30,150,000 | - |
| 1983 | 101,450,000 | 50,725,000 | AT N0.50 EACH | 90,450,000 | 45,225,000 | BONUS |
| 1984 | 101,450,000 | 50,725,000 | AT N0.50 EACH | 90,450,000 | 45,225,000 | - |
| 1985 | 101,450,000 | 50,725,000 | AT N0.50 EACH | 90,450,000 | 45,225,000 | - |
| 1986 | 101,450,000 | 50,725,000 | AT N0.50 EACH | 90,450,000 | 45,225,000 | - |
| 1987 | 101,450,000 | 50,725,000 | AT N0.50 EACH | 90,450,000 | 45,225,000 | - |
| 1988 | 120,600,000 | 60,300,000 | AT N0.50 EACH | 120,600,000 | 60,300,000 | BONUS |
| 1989 | 120,600,000 | 60,300,000 | AT N0.50 EACH | 120,600,000 | 60,300,000 | - |
| 1990 | 120,600,000 | 60,300,000 | AT N0.50 EACH | 120,600,000 | 60,300,000 | - |
| 1991 | 120,600,000 | 60,300,000 | AT N0.50 EACH | 120,600,000 | 60,300,000 | - |
| 1992 | 241,200,000 | 120,600,000 | AT N0.50 EACH | 241,200,000 | 120,600,000 | BONUS |
| 1993 | 241,200,000 | 120,600,000 | AT N0.50 EACH | 241,200,000 | 120,600,000 | - |
| 1994 | 321,600,000 | 160,800,000 | AT N0.50 EACH | 321,600,000 | 160,800,000 | BONUS |
| 1995 | 321,600,000 | 160,800,000 | AT N0.50 EACH | 321,600,000 | 160,800,000 | - |
| 1996 | 428,800,000 | 214,400,000 | AT N0.50 EACH | 428,800,000 | 214,400,000 | BONUS |
| 1997 | 428,800,000 | 214,400,000 | AT N0.50 EACH | 428,800,000 | 214,400,000 | - |
| | AUTHORIZED | | FULLY PAID UP | | | |

# SHARE CAPITAL HISTORY (CONT'D)

| YEAR | NUMBER OF SHARES | VALUE (NAIRA) | NOMINAL VALUE | NUMBER ISSUED | VALUE (NAIRA) | REMARKS |
|---|---|---|---|---|---|---|
| 1998 | 600,000,000 | 300,000,000 | AT N0.50 EACH | 571,733,334 | 285,866,667 | BONUS |
| 1999 | 600,000,000 | 300,000,000 | AT N0.50 EACH | 571,733,334 | 285,866,667 | - |
| 2000 | 600,000,000 | 300,000,000 | AT N0.50 EACH | 571,733,334 | 285,866,667 | - |
| 2001 | 1,142,806,000 | 571,403,000 | AT N0.50 EACH | 1,143,466,668 | 571,733,334 | BONUS |
| 2002 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 1,715,200,000 | 857,700,001 | BONUS |
| 2003 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 1,715,200,000 | 857,700,001 | - |
| 2004 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 1,715,200,000 | 857,700,001 | - |
| 2005 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | RIGHTS ISSUE |
| 2006 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2007 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2008 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2009 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2010 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2011 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2012 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2013 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 3,001,600,004 | 1,500,800,002 | - |
| 2014 | 4,573,866,672 | 2,286,933,336 | AT N0.50 EACH | 4,404,175,988 | 2,202,087,994 | ALLOTMENT OF SHARES |
| 2015 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 4,554,902,014 | 2,277,451,007 | ASHAKACEM MTO |
| 2016 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 4,968,077,723 | 2,484,038,861 | ALLOTMENT OF SHARES TO HOLCI-BEL S.A |
| 2016 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 4,983,926,597 | 2,491,963,298 | ASHAKACEM VTO |
| 2016 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 5,480,734,369 | 2,740,367,185 | BONUS 2016 |
| 2017 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 5,490,514,222 | 2,745,257,111 | ASHAKA DELISTING TRANSACTION |
| 2017 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 5,575,775,442 | 2,787,887,721 | ASHAKA DELISTING FINAL |
| 2017 | 10,000,000,000 | 5,000,000,000 | AT N0.50 EACH | 8,673,428,465 | 4,336,714,233 | RIGHTS 2017 |
| 2018 | 20,000,000,000 | 10,000,000,000 | AT N0.50 EACH | 16,107,795,721 | 8,053,897,861 | RIGHTS 2018 |

## SUMMARY

| | |
|---|---|
| INITIAL SHARE CAPITAL | **4,404,175,988** |
| ASHAKACEM MTO | **150,726,026** |
| ALLOTMENT OF SHARES TO HOLCIBEL S.A | **413,175,709** |
| ASHAKACEM VTO | **15,848,874** |
| BONUS 2016 | **496,807,772** |
| ASHAKA DELISTING TRANSACTION | **9,779,853** |
| ASHAKA DELISTING FINAL | **85,261,220** |
| RIGHTS 2017 | **3,097,653,023** |
| RIGHTS 2018 | **7,434,367,256** |
| PAID UP SHARE CAPITAL: | **16,107,795,721** |

# SHARE CAPITAL HISTORY (CONT'D)

## BONUS HISTORY

| YEAR | BONUS ISSUES | VALUE | RATIO |
|---|---|---|---|
| 1983 | 30,150,000 | 15,075,000 | 1:2 |
| 1988 | 30,150,000 | 15,075,000 | 1:3 |
| 1992 | 120,600,000 | 60,300,000 | 1:1 |
| 1994 | 80,400,000 | 40,200,000 | 1:3 |
| 1996 | 107,200,000 | 53,600,000 | 1:3 |
| 1998 | 142,934,000 | 71,467,000 | 1:3 |
| 2001 | 571,733,334 | 285,866,667 | 1:1 |
| 2002 | 571,733,334 | 285,866,667 | 1:2 |
| 2016 | 496,807,772 | 248,403,886 | 1:10 |

## REGISTER RANGE ANALYSIS

| RANGE | | | HOLDERS | % HOLDERS | HOLDINGS | % HOLDINGS |
|---|---|---|---|---|---|---|
| 1 | - | 500 | 48,147 | 39.11 | 11,963,822 | 0.07 |
| 501 | - | 5,000 | 59,350 | 48.21 | 95,131,334 | 0.59 |
| 5,001 | - | 50,000 | 12,915 | 10.49 | 185,212,203 | 1.15 |
| 50,001 | - | 500,000 | 2,283 | 1.85 | 331,646,278 | 2.06 |
| 500,001 | - | 5,000,000 | 362 | 0.29 | 515,329,207 | 3.20 |
| 5,000,001 | - | 50,000,000 | 49 | 0.04 | 618,756,974 | 3.84 |
| 50,000,001 | - | 7,434,367,256 | 7 | 0.01 | 5,322,390,029 | 33.04 |
| 7,434,367,257 | - | 74,343,672,560 | 1 | 0.00 | 9,027,365,874 | 56.04 |
| | | | **123,114** | **100.00** | **16,107,795,721** | **100.00** |

## LIST OF SHAREHOLDERS WITH 5% AND ABOVE

| S/NO. | ACCOUNT NO. | NAME | % HOLDINGS | HOLDINGS |
|---|---|---|---|---|
| 1 | 232806 | **CARICEMENT BV**<br>DE LAIRESSESTRAAT 131-135 1075 HJ<br>AMSTERDAM THE NETHERLANDS<br>MUNICIPAL AREA, FOREIGN | 56.04 | 9,027,365,874 |
| 2 | 172406 | **ASSOCIATED INTL CEMENTS LTD U.K**<br>THE OLD RECTORY, LUTTER WORTH<br>LEICESTERSHIRE, LE 17 HJT ENGLAND<br>U.K, FOREIGN | 27.77 | 4,473,044,718 |
| | **GRAND-TOTAL** | | **83.81** | **13,500,410,592** |

## UNCLAIMED DIVIDEND REPORT

| | PAYABLE DATE | UNCLAIMED DIVIDEND AMOUNT | AMOUNT RETURNED TO CLIENT (90%) | TOTAL REFUND TO REGISTRAR | CASH BALANCE |
|---|---|---|---|---|---|
| LAFARGE AFRICA PLC DIVIDEND 28 | 20-May-11 | 17,183,941.74 | 21,542,325.65 | 6,863,560.84 | 2,505,176.93 |
| LAFARGE AFRICA PLC DIVIDEND 29 | 23-May-12 | 49,946,505.03 | 61,453,002.33 | 23,024,544.80 | 11,518,047.50 |
| LAFARGE AFRICA PLC DIVIDEND 30 | 30-May-13 | 78,468,520.55 | 93,396,174.23 | 29,663,511.21 | 14,735,857.54 |
| LAFARGE AFRICA PLC DIVIDEND 31 | 10-Jul-14 | 177,653,171.25 | 216,110,810.16 | 68,549,596.55 | 30,091,957.64 |
| LAFARGE AFRICA PLC DIVIDEND 32 | 25-May-15 | 215,668,983.40 | 238,429,600.56 | 54,267,088.50 | 31,506,471.34 |
| LAFARGE AFRICA PLC DIVIDEND 33 | 27-Jun-16 | 228,015,407.20 | 268,862,898.28 | 87,668,475.70 | 46,820,984.62 |
| LAFARGE AFRICA PLC DIVIDEND 34 | 11-May-17 | 82,716,844.35 | 84,816,287.32 | 18,918,097.27 | 16,818,654.30 |
| LAFARGE AFRICA PLC DIVIDEND 35 | 16-May-18 | 265,760,096.50 | 319,006,046.25 | 59,230,737.00 | 5,984,787.25 |
| LAFARGE AFRICA PLC DIVIDEND 36 | 3-Jun-20 | 255,520,578.00 | 263,208,868.20 | 27,876,191.40 | 20,187,901.20 |
| LAFARGE AFRICA PLC DIVIDEND 37 | 25-May-21 | 266,007,942.86 | 244,081,685.57 | Nil* | 21,926,257.29 |
| | | **1,636,941,990.88** | **1,810,907,698.55** | **376,061,803.27** | **202,096,095.60** |

** With respect to Dividend 37, the Registrars have not requested any refund from the Company after the unclaimed amount was returned to the Company.*


## 1. Preamble

This Complaint Management Policy (the "Policy") has been prepared pursuant to the requirements of the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16th February, 2015 and The Nigerian Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NGX Directive") issued on 22nd April, 2015.

Furthermore, this Policy has been prepared in recognition of the importance of effective engagement in promoting shareholder/investor confidence in the company.

This Policy sets out the broad framework by which LAFARGE AFRICA PLC (the "Company" or "Lafarge") and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Lafarge's shareholders to provide feedback to the Company on matters that affect shareholders.

This Policy only relates to the Company's shareholders and does not extend to its customers, suppliers or other stakeholders.

## 2. Objective

This Policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

## 3. Lafarge's Commitment

The Company is committed to providing high standards of services for shareholders, including:

- Providing a platform for efficient handling of shareholder complaints and enquiries;
- Enabling shareholders to have shareholder related matters acknowledged and addressed;
- Providing sufficient resources to ensure that shareholders' complaints and enquiries are dealt with adequately, and in an efficient and timely manner; and
- Facilitating efficient and easy access to shareholder information.

## 4. Procedure for Shareholder Complaints/Enquiries

Shareholders can make complaints/enquiries and access relevant information about their shareholdings in the following manner:

**a) Contact the Registrar:** Shareholders who wish to make a complaint/enquiry shall in the first instance contact the Registrar (see the contact details set out in section 8 of this Policy). The Registrar manages all the registered information relating to all shareholdings, including shareholder name(s), address and dividend payment instructions amongst others.

Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide relevant details of such complaint or enquiry to Lafarge for monitoring, record keeping and reporting purposes.

In resolving complaints or enquiries, the Registrar shall be guided by the timelines stipulated in clause 5 (c-f) of this Policy.

**b) Contact Lafarge's Company Secretary:** If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints then shareholders may contact the office of the Company Secretary (see the contact details set out in section 9 of this policy).

# COMPLAINTS MANAGEMENT POLICY (CONT'D)

## 5. Complaints/Enquiries received directly by Lafarge

Where a complaint or an enquiry is sent to Lafarge directly, the Company upon receipt of the complaint or enquiry, shall use its best endeavours to ensure that:

a) relevant details of the complaint or enquiry are immediately recorded.
b) a response is provided by the Company or the Registrar within the time frame set out in sub-clauses c-f below.
c) complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
d) complaints or enquiries received by post are responded to within five (5) working days of receipt.
e) complaints or enquiries are resolved within ten (10) working days of receipt.
f) where a complaint/enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be retrieved from storage.
g) the same or similar medium that was used for the initial enquiry is used in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

## 6. Electronic Complaints Register and Quarterly Reporting Obligations

Lafarge shall maintain an electronic complaints register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and Details of the enquiry or complaint.
- Action Taken/Status.
- Date of the resolution of the complaint.

## 7. Liaison with the Registrar

During the course of investigating a shareholder's enquiry, complaint or feedback, Lafarge may liaise with the Registrar. Lafarge's engagement with the Registrar will include:

- Determining the facts;
- Determining what action has been undertaken by the Registrar (if any); and
- Coordinating a response with the assistance of the Registrar.

## 8. Contact Details of the Registrar

The Registrar may be contacted as follows:
Cardinal Stone Registrars Limited
335/337 Herbert Macaulay Road
Yaba, Lagos.
Telephone: +23417120090
Email: registrars@cardinalstone.com
Website: www.cardinalstoneregistrars.com

## 9. Contact Details of Lafarge's Company Secretary

Shareholders seeking to escalate unresolved complaints are invited to contact the Company Secretary as follows:
Office of the Company Secretary
27B Gerrard Road
Ikoyi, Lagos
Telephone: +234 (1) 2713990
Website: www.lafarge.com.ng

## 10. Shareholder Access to this Policy

Shareholders will have access to this policy through the following avenues:

- Lafarge's website (www.lafarge.com.ng);
- A copy of the Policy may be requested by contacting the Office of the Company Secretary.
- The Policy shall be made available to shareholders of the Company through the Annual Report and Account.

## 11. Fees and Charges

Wherever possible, and subject to statutory requirements, Lafarge will not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in the course of resolving a shareholder matter.

Shareholders are informed that in some circumstances the Registrar may charge shareholders a fee (for example, to resend previous dividend statements upon request by the shareholder).

## 12. Amendment/Review of this Policy

Lafarge may from time to time review this Policy and the procedures concerning shareholder enquiries, complaints and feedback.

Any changes or subsequent versions of this Policy will be published on Lafarge's website (www.lafarge.com.ng).

Managing Director/CEO

General Counsel & Company Secretary

# CORPORATE EVENTS

**Gallery showing pictures from the Company's 63rd Annual General Meeting held on Thursday, 21st April 2022.**


# CORPORATE EVENTS (CONT'D)



# CORPORATE EVENTS (CONT'D)

Community members at the Maiganga Medical Outreach.


Mr. Ibrahim Aminu, MD, Ashaka Cement, (centre), Abubakar Alhaji Mohammed, Corporate Affairs Manager, North East, (left) with the 2022 scholarship beneficiaries.

Interior of the Maiganga clinic donated by Lafarge.

In this photo, Dr. Kadri Obafemi Hamzat, Deputy Governor, Lagos State, Khaled El Dokani, CCEO, Lafarge Africa, Gbenga Onimowo, Commercial Director, Lafarge Africa with other stakholders and attendees at the 5th edition of Concrete Ideas.


Olive Emodi, Host of the 5th edition of Concrete Ideas; Femi Yusuff, Head, Mortar, Innovation and New Product Development, LAP and Hajiya Saadiya Aliyu, MD/CEO Urban Shelter Ltd during a panel session.


Arc. Gbolahan Owodunni Oki, GM Lagos State Building Control Agency; Olive Emodi; Femi Yusuff; Saadiya Aliyu, MD/CEO Urban Shelter Limited; Khaled El Dokani, CCEO, LAP; and other stakeholders at the 5th edition of Concrete Ideas.

Present in this photo, Idara Uyok, Operations Manager, Mfamosing Plant, Aliyu Ma'ji, Head of Public Affairs; Brenda Effiom, Community Relations Manager, Barong Ita Inyang Bassey, Communications and Public Affairs Manager, HR Business Partner, Mfamosing; Adeola Ogunyakin, Technical Training and Learning Manager, Mfamosing; Ntufam Alphonsus Bassey, Community Relations Committee Chairman, and parents of the students.

Graduates and stakeholders present at the Lafarge Africa CPTP in Ewekoro, Ogun State.

# CORPORATE EVENTS (CONT'D)

Joshua Ajayi, (Far Left) Convener, ECOSEA (left) and Engr. Suleiman Adamu, Minister for Water Resources, represented by Otunba Olufemi Odumosu, (Far Right) MD/CEO, Ogun Oshun River Basin Development presenting the award for the Environmental Sustainability Professional of the Year (Extractive Industry) to Titi Oguntuga, Head, Sustainable Development and Corporate Brand, Lafarge Africa Plc, at the maiden edition of the Environmental Sustainability Conference, Expo and Awards, ECOSEA.

Joshua Ajayi, Convener, ECOSEA (right) and Daniel Adedokun, Head of Geocycle, Lafarge at the maiden edition of the Environmental Sustainability Conference, Expo and Awards, ECOSEA.


Mobolaji Anani, Country Logistics Safety Manager; Caleb S. Yerima, Unit Commander, FRSC, Tori Unit Command, Ewekoro; Folake Odegbami, Head, HSE, Lafarge Africa Plc; Khaled El Dokani, CCEO, Lafarge Africa Plc; Lolu Alade-Akinyemi, Chief Financial Officer, Lafarge Africa Plc, Osaze Aghatise, Country Head, Logistics Operations, Lafarge Africa Plc and Oladimeji Abiodun-Wright, Head Performance & Planning, Lafarge Africa Plc at the launch of the Lafarge Driving Institute at the Ewekoro Plant in Ogun State.

Titilope Oguntuga, Head, Sustainability and Corporate Brand, presenting certificate to a participant of the Female Tilers Program.

L-R Temitope Dosumu, Commercial Manager, Geocycle; Titilope Oguntuga, Head, Sustainability and Corporate Brand; Olufunke Madojutimi, Country Environmental Manager.

Mobolaji Anani, Country Logistics Safety Manager;Second from Left, Folake Odegbami, Head, Health, Safety and Environment, Lafarge Africa, Khaled El Dokani, CCEO, Adeeko Babatunde, Commander, Ogun State Traffic Compliance & Enforcement Corps;Lolu Alade-Akinyemi, CFO, Osaze Aghatise, Country Head, Logistics Operations, Lafarge Africa Plc and Oladimeji Abiodun-Wright, Business Development and Strategy Manager, Lafarge Africa Plc at the launch of the Lafarge Driving Institute at the Ewekoro Plant in Ogun State.

FRSC official testing the Driving Simulator at the launch of the Lafarge Driving Institute in Ewekoro.

Present in this photo: Titilope Oguntuga, Head, Sustainability and Corporate Brand, Agnes Keke, Manager, Corporate Citizenship & Events Manager, Brenda Effiom, Community Relations Manager, Mfamosing and the Female Tilers Program Participants and Trainers.

# CORPORATE EVENTS (CONT'D)

L-R Tina Sobola, Customer Development Manager, Distribution and Key Account, and Kelvin Nakpodia Channel Relationship Manager, Lagos Mainland presenting the winner of the standing fan with his prize at the Retail Energizer Promo Reward Ceremony.

Itune Brown John-Eze, Brand and Communications Manager and Kelvin Nakpodia Channel Relationship Manager, Lagos Mainland presenting the winner of the television set with his prize at the Retail Energizer Promo Reward Ceremony

Thompson Ukpebor, Head of Sales Lagos and Folashade Amodu, Commercial Performance and Reporting Manager, presenting the winner of the generating set with his prize at the Retail Energizer Promo Reward Ceremony.


Ifeoma Uba, member of the Sales Team, and Itune Brown John-Eze, Brand and Communications Manager, presenting the winner the winner of the television set with his prize at the Retail Energizer Promo Reward Ceremony.


Florence Olubunmi Abegunde, a star prize winner of the Kia Saloon Car at the Win BETA Season 1 Promo prize giving event in Oyo State.


Udeme Edet James, a star prize winner of the Kia Saloon Car at the Win BETA Season 1 promo prize giving event at Uyo.


L-R: Bassey Inyang, Communications and Public Affairs Manager, Mfamosing... Abisola Matti, Brand Executive, Lafarge Africa; Itune John-Brown Eze, Brand and Communications Manager, Lafarge Africa, Anthonilious Okojie, Head of Sales, South East, Lafarge Africa; Udeme Edet James, a star prize winner of the Kia Saloon Car; ... at the Win BETA Season 1 promo prize giving event at Uyo.

Affix
Current
Passport

Write your name at the back of your passport photograph

CARDINALSTONE REGISTRARS

# E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

**Instruction**
Please complete all section of this form to make it eligible for processing and return to the address below:

**The Registrar,**
CardinalStone Registrars Limited
335/337 Herbert Macaulay Road, Sabo, Yaba,
P.O. Box 9117, Marina, Lagos,
Nigeria.
I\We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

**Shareholders Account Information**

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

| TICK | NAME OF COMPANY | SHAREHOLDER'S ACCOUNT NO. |
|---|---|---|
| | LAFARGE AFRICA PLC | |
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Help Desk Telephone No/Contact Centre Information for
Issues resolution or clarification: 01-7120090

The Registrar
Cardinal Stone (Registrars) Limited
335/337 Herbert Macaulay Road
Yaba, Lagos
P. O. Box 9117
Lagos, Nigeria

# PROXY FORM

## 64TH ANNUAL GENERAL MEETING OF LAFARGE AFRICA PLC HOLDING AT THE GRAND BANQUET HALL, THE CIVIC CENTRE, OZUMBA MBADIWE ROAD, VICTORIA ISLAND, LAGOS, ON FRIDAY, 28TH APRIL 2023 AT 10AM

I/We________________________________________ being member(s) of Lafarge Africa PLC hereby appoint ________ ______________________, or failing him/her, Mr. Adebode Adefioye (the Chairman), as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 28th April 2023 and at any adjournment thereof.

Dated this ........................... day of ................................ 2023

Shareholder's Signature: ..........................................................

| S/N | RESOLUTIONS | FOR | AGAINST | ABSTAIN |
|---|---|---|---|---|
| 1. | **ORDINARY BUSINESS**<br>To lay before the meeting the Audited Financial Statements for the year ended 31st December 2022, together with the Report of the Directors, Independent Auditors and Audit Committee thereon. | | | |
| 2. | To declare a final dividend. | | | |
| 3. | To ratify the appointment of the following as Directors of the Company:<br>i) Mr. Kaspar Theiler (Non-Executive Director) | | | |
| | ii) Ms. Sonal Shrivastava (Non-Executive Director) | | | |
| 4. | To re-elect the following Non-Executive Directors, who being eligible now offer themselves for re-election:<br>i) Mr. Gbenga Oyebode, MFR (Independent Non-Executive Director); | | | |
| | ii) Mrs. Oyinkan Adewale, FCA (Independent Non-Executive Director); | | | |
| | iii) Mrs. Adenike Ogunlesi (Independent Non-Executive Director). | | | |
| 5. | To appoint the firm of Ernst & Young as the Company's Independent Auditors. | | | |
| 6. | To elect members of the Audit Committee. | | | |
| 7. | To disclose the remuneration of the Managers. | | | |
| 8. | **SPECIAL BUSINESS**<br>To fix the remuneration of the Directors. | | | |
| 9. | To approve recurrent related party transactions. | | | |

Please indicate "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

**NOTES:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its place. An appointed proxy need not be a member of the Company.
2. Provision has been made on this form for the Chairman of the Company, Mr. Adebode Adefioye to act as a proxy for any shareholder who is unable to appoint a proxy to attend the meeting. If you wish to appoint a person other than the Chairman of the Company as your proxy for the meeting, please complete the blank spaces on the form with the name of your appointed proxy.
3. This form must be duly completed and signed by a shareholder of the Company. If the shareholder is a company, the form must be under its common seal or duly signed by an authorised officer of the company.
4. For the instrument of proxy to be valid for the purpose of this meeting, it must be stamped in accordance with the provisions of the Stamp Duties Act, CAP S8. Laws of the Federation of Nigeria, 2004. The duly completed, signed and stamped proxy forms must be deposited at the office of the Registrar, CardinalStone Registrars Limited, 335/337 Herbert Macaulay Street, Sabo, Yaba, Lagos or by email to registrars@cardinalstone.com, not less than 48 hours before the time fixed for the meeting.
5. The proxy must produce the Admission Card attached to this form for access to the meeting venue.

## LAFARGE AFRICA PLC 64TH ANNUAL GENERAL MEETING

### SHAREHOLDERS' ADMISSION CARD

Please admit the shareholder on this form or his/her duly appointed proxy to the Annual General Meeting to be held at the Grand Banquet Hall, The Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos, on Friday, 28th April 2023 at 10am.

| Name of Shareholder | Number of Shares Held | Signature of Person attending |
|---|---|---|

The Registrar
Cardinal Stone (Registrars) Limited
335/337 Herbert Macaulay Road,
Yaba, Lagos
P. O. Box 9117
Lagos, Nigeria

# LIST OF DISTRIBUTORS

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 1 | 262611 | GLOBAL SNCO (WA) LIMITED |
| 2 | 262863 | C.C UMEH & SONS LTD |
| 3 | 258206 | U. MEKASON TRADING STORES |
| 4 | 262892 | UBOTEX NIG. LTD. |
| 5 | 262694 | UNEGBE VENTURES LTD |
| 6 | 313873 | EBONYI STATE GOVERNMENT |
| 7 | 262177 | GLOBAL 50:50 CONCEPT NIG. LTD |
| 8 | 257710 | MASELIZ ENTERPRISES |
| 9 | 262310 | BATOFRAMOJ E. ENTERPRISES |
| 10 | 260852 | VICROSS ENT. |
| 11 | 299338 | GOLDPINE INTEGRATED SERVICES |
| 12 | 260974 | IYA MILIKI & SONS |
| 13 | 260950 | ABIODUN AKINLEYE |
| 14 | 262271 | ASKON PROGRESSIVE NIG. COMPANY |
| 15 | 259445 | TRUSTOLAP NIGERIA ENTERPRISES |
| 16 | 260926 | EBONY "D" GREAT ENT. |
| 17 | 260651 | FEMYOK INTERNATIONAL VENTURES |
| 18 | 262671 | TAMARK RESOURCES ENTERPRISES |
| 19 | 258050 | KAZAB HERITAGE LTD |
| 20 | 262224 | K.E.O MERCHANDISING COMPANY |
| 21 | 260568 | TITO VENTURES |
| 22 | 262891 | FESTY BASE ENT |
| 23 | 258536 | ALABAMA GLOBAL VENTURES |
| 24 | 260579 | ADE- ADEWUNMI NIG. ENT. |
| 25 | 260828 | S.O.J ENT. |
| 26 | 299055 | YUSFAITH GLOBAL ENTERPRISES |
| 27 | 260056 | DAGUNRO IBILE VENTURES |
| 28 | 261000 | BLESSED PATIOSA (NIG) ENTERPRISES |
| 29 | 258088 | INFOR & BROS NIGERIA LIMITED |
| 30 | 262315 | CHINASA ASOGWA VENTURES |
| 31 | 262288 | KPAKSBUDDY NIGERIA LIMITED |
| 32 | 321279 | ALHAJA OLABISI ABIMBOLA VENTURES |
| 33 | 260925 | ALHAJA JOKE OJOGBEDE |
| 34 | 320172 | CHRISCHAP MULTISERVICES LIMITED |
| 35 | 262287 | OBI LINKS ENTERPRISE |
| 36 | 262216 | I.C.O ODIGWE & SONS NIG LTD |
| 37 | 262347 | VINE LOV UGO ENTERPRISES |
| 38 | 262305 | MCEVANS VENTURES LTD |
| 39 | 261034 | TEMI TOPE OIL NIG. LTD. |
| 40 | 262046 | IVANATE NIG LTD |
| 41 | 262039 | FUGLE NIGERIA LIMITED |
| 42 | 262847 | GLOJOESAM INVESTMENT LTD |
| 43 | 262328 | MEKUSGAMBA NIGERIA ENTERPRISES |
| 44 | 263199 | AL-AMIR ENTERPRISES |
| 45 | 260874 | OYINBASHY ENTERPRISES |
| 46 | 308168 | VUNIC GLOBAL CONNECT SERVICES |
| 47 | 260484 | MADEL GLORY VENTURES |
| 48 | 263248 | MAIYAKI GENERAL MERCHANT LTD |
| 49 | 258326 | TAOKAS MULTI- CONCEPTS |
| 50 | 262050 | DAVIDSON GLOBAL NIG ENT |
| 51 | 258515 | ROSENT INVESTMENT LIMITED |
| 52 | 258737 | CHY-KENS & SONS VENTURES LTD |
| 53 | 263187 | ALH. UMARU KAFIYEL |
| 54 | 259224 | SANDRA & SMITH ENTERPRISES |
| 55 | 262277 | EMMABROS BUILDING MERCHANT LTD |
| 56 | 260734 | ADEKUNLE OSENI |
| 57 | 262318 | FAVOUR GLOBAL CONCEPT |
| 58 | 260953 | L.A. LAWAL NIGERIA ENTERPRISES |
| 59 | 261610 | ARIMAE CEMENT VENTURES |
| 60 | 286839 | TRANSGENERATION ENTERPRISES |
| 61 | 262556 | EKEFIRE |
| 62 | 260814 | TRIDAC ENTERPRISES |
| 63 | 263058 | AL-MANAS PETRO GAS LTD |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 64 | 262876 | OBIOMA ENTERPRISES NIG. LTD. |
| 65 | 260838 | ALH. ABBEY ADEBISI & CO. |
| 66 | 262500 | JUDE C. MATHIAS |
| 67 | 262189 | OGEROSE INTEGRATED SERVICES |
| 68 | 305781 | GOODLUCK O. NWANERI AND SONS |
| 69 | 260898 | OLLA ADAMS ENT. |
| 70 | 315088 | ABLETTDRIVE IMPACT SOLUTIONS |
| 71 | 257664 | OMO-AKIN MEGATOP GLOBAL VENTURES |
| 72 | 374736 | ADOLF INTEGRATED GLOBAL LTD |
| 73 | 261590 | NILS NIG ENT. |
| 74 | 298371 | OKE. M. BLOCKS NIGERIA ENTERPRISES |
| 75 | 260993 | RASHEED ISHOLA VENTURES |
| 76 | 262635 | IGWEMADU OGUADIMMA |
| 77 | 260569 | BOATAN VENTURES |
| 78 | 317702 | ADESHYNA ABIOLA GLOBAL VENTURES |
| 79 | 262053 | JOEMACHINE SERVICES |
| 80 | 259909 | TIMPALAS AGRO ALLIED VENTURES |
| 81 | 257892 | NOKIS NOBLE COMPANY |
| 82 | 261048 | MOTIT ENT. |
| 83 | 317037 | DOUBLE D. UNIQUE VENTURES |
| 84 | 298456 | WALTERADE NIGERIA ENTERPRISES |
| 85 | 379061 | KAMILU OLOKO & SONS VENTURE |
| 86 | 261053 | FELL-CA ENT. |
| 87 | 262004 | KABEC NIG. LTD |
| 88 | 263076 | MAI-IYALE NIG. LTD |
| 89 | 261964 | GRACEMEKUS ENTERPRISE |
| 90 | 262165 | RASINE NIG ENTERPRISE |
| 91 | 378021 | RENATCH POWER LIMITED |
| 92 | 322912 | BREG INTEGRATED SERVICES |
| 93 | 299225 | WHUMYTE GLOBAL VENTURES |
| 94 | 263093 | ALHAJI MUHAMMAD LAWAN |
| 95 | 262785 | EZEUGO HYCIENTH |
| 96 | 257495 | HALADEX CEMENT SUPPLIES ENTER-PRISES |
| 97 | 260998 | SAMBA AREMU |
| 98 | 313933 | A.A FUGU AND SONS NIG LIMITED |
| 99 | 313450 | MATIB VENTURES |
| 100 | 261714 | MINDMINE ENGINEERING SERVICES |
| 101 | 260587 | MORASH VENTURES NIG. ENT. |
| 102 | 260145 | SKYTEE NIGERIA LIMITED |
| 103 | 259882 | MORAY UNIQUE ENTERPRISES |
| 104 | 262262 | DIVINE NICK & SONS |
| 105 | 260508 | WAMOD OLOYE ENT. LTD |
| 106 | 325591 | OLAJIDE ALADE AREO AND SONS |
| 107 | 262236 | BUILDTEX VENTURES |
| 108 | 262817 | GASK-CHIDA AND SONS LTD |
| 109 | 262777 | MUDAK ENT. NIG |
| 110 | 316647 | TREASURED TWAIN ENTERPRISE |
| 111 | 261850 | MEGA UCHECHI & SONS RESOURCES |
| 112 | 262853 | VANEF LTD |
| 113 | 258505 | LIQUIN VENTURES |
| 114 | 262552 | BEN CHUCKS VENTURES |
| 115 | 260539 | POSU GOLDEN APPLE ENTERPRISES |
| 116 | 260884 | CHICO TRUST (NIG.) |
| 117 | 260943 | TAI - DEM & SONS |
| 118 | 262762 | SITU MONISOLA |
| 119 | 380053 | REG-ESTHER CHOSEN ENTERPRISES |
| 120 | 286124 | CHRIS-SUNNYNWODO BUSINESS EMPIRE |
| 121 | 258953 | JANNY & SONS VENTURES LIMITED |
| 122 | 262814 | B C NWABUOBI ENT |
| 123 | 260669 | ALEEMADIAT MULTIVENTURES CONCEPTS |
| 124 | 262326 | DAVID STEVEN |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 125 | 374503 | EVYNISTA IDEAL CONCEPT |
| 126 | 261773 | JAMIN ENTERPRISES NIG. |
| 127 | 260619 | B AND S VENTURES |
| 128 | 261636 | EGEISU ENTERPRISE NIGERIA |
| 129 | 372766 | CHIFEC INVESTMENT CONCEPTS LIMITED |
| 130 | 262834 | OGECHI OGBUZURU |
| 131 | 261877 | IZU GENERAL MERCHANDISE NIG LTD |
| 132 | 260860 | MRS S. A. FALANA |
| 133 | 262125 | CHIMAFID COMMERCIAL LIMITED |
| 134 | 319491 | ALAMJESS NIGERIA LIMITED |
| 135 | 260573 | EMMANUEL ADEBAYO VENTURES |
| 136 | 319501 | ALO FARM MULTI-PURPOSE VENTURES |
| 137 | 261936 | AVITRADE NETWORK LTD |
| 138 | 260727 | IBUKUN OLUWA ENT. |
| 139 | 260809 | B-26 NIG. LTD |
| 140 | 260490 | EJI-ADE ENT. |
| 141 | 367005 | AL-WOLI GENERAL ENTERPRISES NIG LTD |
| 142 | 258343 | SUCCESS LINK |
| 143 | 259508 | BLESSED GOLDEN CEMENT VENTURES |
| 144 | 323564 | SYLV-M VENTURES |
| 145 | 322572 | AROWOLO K.K. NIGERIA LIMITED |
| 146 | 327704 | BENCHMARK TRADING & GENERAL |
| 147 | 257482 | FINING NIGERIA LIMITED |
| 148 | 325054 | AUSTIN-U.G.M. GLOBAL SERVICES |
| 149 | 258687 | ANGEL ONYEBUCHI OGU BIZ VENTURES |
| 150 | 263072 | AL-KHAIRAT GLOBAL RESOURCES LTD |
| 151 | 263129 | UMAR NA-BURARI MAI KAWU |
| 152 | 314508 | IBRAHIM UBA JUNIOR GLOBAL |
| 153 | 297575 | GREAT-AGALA VENTURES |
| 154 | 262215 | ORBIS RESOURCES LTD |
| 155 | 371461 | NONEA INTEGRATED SERVICES NIGERIA |
| 156 | 260905 | LEKAN ADEYEMI |
| 157 | 262116 | TEE BY TEE PROJECT |
| 158 | 372099 | ZIGHEIGHT INTERNATIONAL LIMITED |
| 159 | 263150 | A. A. SHAFA NIG.LTD. |
| 160 | 371177 | KEEMOS COMMERCIAL CONCEPT LIMITED |
| 161 | 258824 | VIHANO VENTURES |
| 162 | 261630 | MYSTAN GLOBAL SERVICES |
| 163 | 260903 | STELLA DEE GLOBAL SERVICES LTD |
| 164 | 260861 | SUNDAY OLANREWAJU NIG. ENT. |
| 165 | 260649 | MEGAMOUND INV. LTD. |
| 166 | 263225 | USMAN ADAMU (A. U. A) |
| 167 | 373626 | OKIKI GLOBAL VENTURES LIMITED |
| 168 | 260485 | ADEWOYIN RASHEED |
| 169 | 262680 | NKANTA & SONS NIG LTD |
| 170 | 258950 | TQS ALAYO NIG LTD |
| 171 | 335593 | AGAPE STEEL VENTURES |
| 172 | 286034 | AWARD COMMUNICATION & LINK |
| 173 | 263278 | BAPPAJI JILAYE |
| 174 | 328029 | REVOLVE GLOBAL SYNERGY LIMITED |
| 175 | 379391 | IBISHOLA NIGERIA ENTERPRISE |
| 176 | 263069 | MAHMUD IBRAHIM ENTERPRISE |
| 177 | 299097 | DEP STANDARD GLOBAL VENTURES |
| 178 | 325464 | YASKA GENERAL MULTISERVICES LIMITED |
| 179 | 260303 | MOSDEE STARS ENTERPRISES |
| 180 | 260194 | MOSEBOLATAN SEGUN ONASANYA |
| 181 | 262920 | KBJAMIU TRADING COMPANY |
| 182 | 373132 | CRYSTAL CLEAR GLOBAL CONCEPT |
| 183 | 262819 | ESTRA MARKS VENTURES |
| 184 | 263089 | AL-AHMAD GLOBAL VENTURES |
| 185 | 263096 | HUSSAINI ADAMU ALMA'U |

# LIST OF DISTRIBUTORS

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 186 | 258233 | ADEWOLE GANIYAT NIGERIA ENTERPRISES |
| 187 | 257667 | DAVAL NIG. ENTERPRISES |
| 188 | 386722 | ABIOYE ADENIKE OLUBUNMI NIGERIA |
| 189 | 258688 | WADEM ENTERPRISES |
| 190 | 260994 | JOLLY FRIENDS |
| 191 | 367023 | BELLZYONE NIGERIA LIMITED |
| 192 | 368099 | KESSAYO INTERNATIONAL LTD |
| 193 | 304732 | CEMENT HOUSE SERVICES VENTURES |
| 194 | 365710 | ALFAT UNIVERSAL SERVICES |
| 195 | 258357 | FUNMI FLORRY |
| 196 | 262266 | OZOEKWU RESOURCES LTD. |
| 197 | 366685 | ROSE BOOM HOTEL & RESORT LTD |
| 198 | 259423 | OLANREWAJU OLADAPO |
| 199 | 263179 | ALHAJI MOH'D MANU ASHAKA |
| 200 | 259574 | J. B. OKANLAWON |
| 201 | 257635 | GREAT CENT-BASIL INTERNATIONAL |
| 202 | 372764 | IFA GLOBAL LINK |
| 203 | 260465 | BOLU INTERNATIONAL SERVICES LTD |
| 204 | 380679 | D KING SOLO AMJ NIG LTD |
| 205 | 263195 | A. B. Y. ASHAKA "&" SONS |
| 206 | 260955 | KESMORAH AND SONS LTD |
| 207 | 367857 | BERRYL INTEGRATED SERVICES LIMITED |
| 208 | 262370 | TAM CEMENT |
| 209 | 260702 | GBADAMOSI IDOWU ISMAILA |
| 210 | 262741 | BENASIN RESOURCES |
| 211 | 263274 | DANGE U. B. NIG. LTD |
| 212 | 262824 | CHRIS-KELSON NIG LTD |
| 213 | 312727 | GUIDEDKARISSA ENTERPRISE |
| 214 | 327272 | DE-BAYUS NIGERIA LIMITED |
| 215 | 263059 | AHMED GOJE ENTERPRISES |
| 216 | 260760 | ALHAJA H. A. OLUWATOBILOBA |
| 217 | 369076 | SAINT AUGUSTINE INVESTMENTS LIMITED |
| 218 | 263272 | DANLADI BALA ENT. |
| 219 | 319580 | SHAMAH-JUNEX LTD |
| 220 | 386253 | ADELANI OILS COMPANY LIMITED |
| 221 | 262986 | LOEBEC VENTURES LTD |
| 222 | 258849 | SEGSON NIGERIA LIMITED |
| 223 | 263155 | HAMMAMU YUSUF KALIFA |
| 224 | 323744 | SAMPO NIGERIA ENTERPRISES |
| 225 | 263170 | ALH. BABANGIDA MOHAMMED ENTERPRISES |
| 226 | 288984 | RALDAVIS BUSINESS VENTURES |
| 227 | 366570 | GATUGEL GLOBAL RESOURSES LTD |
| 228 | 263122 | AIB JALAM INTERLING INVESTMENT LTD |
| 229 | 376383 | YBI VENTURES |
| 230 | 263012 | KHALID YUSUF |
| 231 | 318301 | ALHAJI MUHAMMADU BUZU AND SONS |
| 232 | 263136 | ALH. ADAMU GWIWA |
| 233 | 259535 | THOMAS ADEOYE AND SONS NIGERIA LTD |
| 234 | 317366 | TEBOLD GLOBAL ENTERPRISE |
| 235 | 263197 | ALH. ADAMU ISA BAJOGA |
| 236 | 261962 | BASHIRU & ELIZABETH LTD |
| 237 | 291467 | MAMURI INVESTMENT NIG LIMITED |
| 238 | 260177 | TWINS FAJA (NIG.) LTD. |
| 239 | 263097 | ADAMU MOHAMMED ABBA |
| 240 | 260616 | VICKY ADEOYE VENTURES |
| 241 | 431382 | DOVE CEMENT NIG ENTERPRISES |
| 242 | 263128 | AHMAD YUSUF ENTERPRISES |
| 243 | 263158 | ALHAJI GAMBO MOHAMMED ASHAKA |
| 244 | 258437 | FAITHFUL HAND NIGERIA LIMITED |
| 245 | 321069 | PEACE AND SUCCESS VENTURES |
| 246 | 262748 | ORAL TRADE INTL |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 247 | 261847 | EVECA NIGERIA LTD |
| 248 | 367865 | ABU MUHIBBAT ENTERPRISES |
| 249 | 262355 | MIRACLE CEMENT DEPOT SHOP |
| 250 | 261722 | JOHN JEFF NIG. LTD |
| 251 | 262028 | IFEMACO INVESTMENT CONCEPT LTD |
| 252 | 367297 | MUSA MADAKI CEMENT VENTURES |
| 253 | 315468 | AFE BABALOLA UNIVERSITY LTD/GTE |
| 254 | 262764 | MBAEKWE OLISA |
| 255 | 286410 | NAHU MAIYADI NIG LTD |
| 256 | 365926 | ALH MOH'D DOGO ADAMU ENTERPRISES |
| 257 | 262330 | DANMOSCO NIG LTD |
| 258 | 257782 | ALHAJI ISMAILA SALAKO ISMO NIG. ENT |
| 259 | 262985 | ETHELSON ENTERPRISES NIGERIA |
| 260 | 258325 | HAJJ SULAD LIMITED |
| 261 | 390146 | ARLANDA HAULAGE AND LOGISTICS |
| 262 | 308215 | MABILCO ENTERPRISE |
| 263 | 262532 | IPUN NIG LTD |
| 264 | 263000 | ALH. UMAR SALE |
| 265 | 263047 | ALI MOHAMMAD KABIR |
| 266 | 317041 | ALH. SHEHU I. SHEHU TRADING COMPANY |
| 267 | 263077 | BAPPAH MALA |
| 268 | 260550 | ALADE ABIMBOLA |
| 269 | 263263 | IDRISS ADAMU SANGARUYEL |
| 270 | 261721 | F. JOGA NIG. CO |
| 271 | 369271 | HIBAY RESOURCES & SERVICES LIMITED |
| 272 | 263051 | TEE QUE ZEE EXCEL LTD |
| 273 | 259582 | INFINITE MERCY LTD |
| 274 | 319465 | TINUOYE OLAYEMI NIG. ENT |
| 275 | 263224 | UTHMAN EMMA "&"CO |
| 276 | 367866 | JOAN BOLA & HOWARDS LTD |
| 277 | 259123 | ENTERPRISES GROWTH LTD |
| 278 | 376378 | FORGIVE AYOOLA IDEAL BUSINESS |
| 279 | 298658 | EPIGNOSIS CONSULTING LIMITED |
| 280 | 263249 | ABDULLAHI WURO JABBI |
| 281 | 263127 | BABAYO ABUBAKAR |
| 282 | 261718 | NOSAJOY GLOBAL VENTURE |
| 283 | 318469 | B 11 NIG LTD |
| 284 | 263134 | MAIYAKI GOLDEN COMPANY LTD |
| 285 | 318061 | ODILAS & SONS LTD |
| 286 | 263074 | ALIYU MUSA HAFSAN |
| 287 | 380241 | ASNET INDUSTRIES LTD |
| 288 | 379295 | SENNY & ADEOGO INVESTMENT LIMITED |
| 289 | 325201 | PURE RENOVATION & SERVICES |
| 290 | 261587 | BUYUOT GOLD NIG LTD |
| 291 | 261856 | HENRULE CONCEPT ENTERPRISES |
| 292 | 260837 | ISMAILA AWOYINKA |
| 293 | 262963 | ALHAJI ABDULLAHI IASA BLOCK IND. |
| 294 | 263174 | ALI S KUDU |
| 295 | 263234 | RAMADAN ABBA |
| 296 | 262972 | B. M. ZING GLOBAL VENTURES |
| 297 | 368891 | TIFE GLOBAL ENTERPRISES |
| 298 | 263094 | ALH. MOHAMMED GONI |
| 299 | 376300 | AP-DESTINY NIGERIA LTD |
| 300 | 277919 | ALH ALI BALARABE |
| 301 | 258494 | TADOP GLOBAL SERVICES LTD |
| 302 | 385406 | GRAND CONCEPT INVESTMENT SERVICES |
| 303 | 257797 | SABEKAS GLOBAL VENTURES |
| 304 | 263235 | POSTWAK LIMITED |
| 305 | 263049 | BIN-AFFAN ENTERPRISES |
| 306 | 263126 | USMAN MUHAMMAD |
| 307 | 300841 | FORTUNA ENERGY LIMITED |
| 308 | 263203 | ADAMU BAPPAYO MUSA |
| 309 | 263153 | BALAN FALKE |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 310 | 263188 | ALH. MUHAMMADU NA BURARI |
| 311 | 263146 | HAJIYA MAIMUNA VENTURES |
| 312 | 262961 | ALHAJI ALI HASSAN |
| 313 | 263245 | MOHAMMED MUKTAR |
| 314 | 277897 | BLOCK MAKERS ASSOCIATION BAUCHI |
| 315 | 436169 | ADEEN AND SONS ENTERPRISES |
| 316 | 259340 | HONOSA ENTERPRISE |
| 317 | 263191 | ALH. HAMMANA JANGADE |
| 318 | 263175 | A. Y NI'IMA LTD |
| 319 | 317471 | OLAYEMI AMOSA GENERAL ENTERPRISES |
| 320 | 263252 | M.L. IBRAHIM ENTERPRISES |
| 321 | 263243 | MOHAMMED SALES OFFICE |
| 322 | 263095 | AHMED MAI GYADA |
| 323 | 262914 | TEN TEN GENERAL MERCHANTS LTD |
| 324 | 441263 | A.S. ABEY NIG. ENTERPRISES |
| 325 | 261704 | PB DJEBAH |
| 326 | 263131 | ABUBAKAR SADIQ |
| 327 | 263075 | A. A. MOHAMMED |
| 328 | 257653 | JF VENTURES |
| 329 | 263244 | MOHAMMED RABIU |
| 330 | 263212 | ABUBAKAR IDIRISA MADAKI |
| 331 | 370992 | LEAD CITY UNIVERSITY INVESTMENT |
| 332 | 368672 | MYTS MULTICHOICE SOLUTIONS LTD |
| 333 | 263166 | SARPLAST NIG. LTD. GOMBE |
| 334 | 379631 | LOFFDEAL ENTERPRISES |
| 335 | 373210 | JAURO YUGUDA GLOBAL LINK LTD |
| 336 | 263253 | M M AUWAL |
| 337 | 367739 | AKBS OIL & GAS LTD |
| 338 | 263254 | KUSHUMAGA "&" SONS |
| 339 | 281361 | SRUM & ASSOCIATES LTD |
| 340 | 365931 | MUMAS GENERAL MERCHANTS |
| 341 | 287380 | MOYOSORE YETTY VENTURES |
| 342 | 263133 | YAYA SALIM ENTERPRISES |
| 343 | 263080 | ABDULKADIR ADAMU |
| 344 | 380141 | TRIPLE T SUPERMART |
| 345 | 322498 | HARAMAIN INTEGRATED SERVICES LTD |
| 346 | 263011 | A.U. BAFFA INVESTMENT LIMITED |
| 347 | 263090 | WAMBAI ASHAKA |
| 348 | 263054 | ALHAJI UMARU MAI-TRADER |
| 349 | 261857 | CHYKE-CHERRY GLOBAL RESOURCES LTD |
| 350 | 287200 | F & J PROPERTIES LIMITED |
| 351 | 263232 | SABO MOHAMMED |
| 352 | 368022 | AMDY ELECTRONICS COMPANY NIGERIA |
| 353 | 372855 | UMAD MULTI NETWORKS |
| 354 | 263120 | HARUNA HASSAN |
| 355 | 262981 | ELEGANCE CONSTRUCTION LTD |
| 356 | 317355 | M.K.O CEMENT NIG LTD |
| 357 | 263087 | I. M. KOREE RESOURCES NIG. LTD |
| 358 | 263185 | ALHAJI ADAMU AD |
| 359 | 365618 | ALKAIS VENTURES |
| 360 | 263026 | ALH SALISU AJIYA |
| 361 | 321636 | SJ ARISE & SHINE SERVICES |
| 362 | 277912 | DANJUMA DATTI ENTERPRICE |
| 363 | 263261 | IYA SONG |
| 364 | 263266 | HALIMATU UMARU |
| 365 | 263088 | A.B. MOH'D & SONS |
| 366 | 263117 | HEADIMA NIGERIA LTD. |
| 367 | 263206 | ABU-RAHMA ENTERPRISES |
| 368 | 263118 | ALI MUHAMMAD KOGU |
| 369 | 277839 | GLOBAL KENNY NIGERIA LIMITED |
| 370 | 263190 | ALH. KABIRU MAGAJI |
| 371 | 263115 | TAUFIQ ENTERPRISES |

# LIST OF DISTRIBUTORS

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 372 | 369026 | BARADE ENVIRONMENTAL & GENERAL |
| 373 | 263110 | ABBA BABANGIDA |
| 374 | 263083 | SHANU INVESTMENT NIG. LTD |
| 375 | 380048 | PATRICK OGUNJOBI & CO |
| 376 | 261134 | A.K.A. MINERS M.C.S. LTD |
| 377 | 365944 | JIKAN NANA ENTERPRISES |
| 378 | 367000 | AWANA KOLE INVESTMENT CO. LTD |
| 379 | 263279 | BAPPAH GIDE |
| 380 | 263207 | ABUBAKAR JIBRIN |
| 381 | 262974 | BEN OKEKE ENTERPRISES |
| 382 | 263099 | A U U ENTERPRISES |
| 383 | 369077 | T & T RESOURCES AND TRADINGS |
| 384 | 309452 | FAUZAN PRIME LIMITED |
| 385 | 262977 | RAHUSA NIGERIA ENTERPRISES |
| 386 | 309801 | NABARDA GLOBAL INVESTMENTS LIMITED |
| 387 | 263228 | SUHAIMA MULTY SERVICES NIG LTD |
| 388 | 372414 | UFARUQ WATER |
| 389 | 262943 | RUGWA GLOBAL CONCEPT NIG LTD |
| 390 | 260195 | ARALAMO GLOBAL SERVICES LTD |
| 391 | 263102 | MAFISCO BLOCK INDUSTRY |
| 392 | 263194 | ALH. ALI SHARIF |
| 393 | 262987 | AMDASH GLOBAL RESOURCES LIMITED |
| 394 | 257981 | REMY CADO NETWORKS LIMITED |
| 395 | 258490 | EL-MOK ENG. LTD |
| 396 | 385016 | DOMESHADE REALTY LTD |
| 397 | 263201 | AHAMAHAM INTEGRATED SER. NIG. LTD |
| 398 | 263124 | TASIU MUHAMMAD |
| 399 | 263242 | MOH'D KWAIRANGA S/ FUNAKAYE |
| 400 | 263145 | MOH'D ABATCHA |
| 401 | 263035 | HAJIYA RAMATU WAKILI |
| 402 | 263125 | LAMIDO MAI KUSA |
| 403 | 318255 | NAGOMA CONSTRUCTIONS AND BUILDING |
| 404 | 282828 | IFECO HERITAGE NIG ENTERPRISE |
| 405 | 263184 | ALHAJI AHMADU CIP CIP BURATAI |
| 406 | 263258 | JIGARAWA NIG. LTD |
| 407 | 372241 | ADAMU BUBA MAGABA GEN SUPPLY |
| 408 | 309513 | Malbeco Ventures |
| 409 | 261149 | AHMADU RAJAH AND COMPANY LTD |
| 410 | 263276 | BORMI RESOURCES NIGERIA LTD |
| 411 | 263014 | SHEMBIRE GLOBAL RESOURCES |
| 412 | 367481 | MALLAM FARI GENERAL MERCHANTS |
| 413 | 263257 | JUNGUDO AHMAD |
| 414 | 263130 | MUBARAK USMAN |
| 415 | 263141 | MOHAMMED ALI KATSINA |
| 416 | 263193 | ALH. BAPPAYO JARMARI |
| 417 | 372169 | BAYINAH ENTERPRISES |
| 418 | 263181 | ALHAJI BIRI AISAMI |
| 419 | 318995 | MOFORO NIGERIA LIMITED |
| 420 | 368009 | DMAX CONSTRUCTION AND ENGI-NEERING |
| 421 | 263064 | HASSAN ABUBAKAR |
| 422 | 263152 | MOHAMMED ABUBAKAR JAJAMI |
| 423 | 261140 | ARSI BEST INVESTMENT NIG.LTD. |
| 424 | 263192 | ALH. GARBA ZAGADA ZAGADA |
| 425 | 263280 | BAGE ENTERPRISES |
| 426 | 263268 | MUSA MAI MANGYADA |
| 427 | 368593 | MAIHAUSAWA GLOBAL RESOURCES LTD |
| 428 | 262908 | SABO DAN KOLI & SONS LIMITED |
| 429 | 262996 | ALHAJI MUH'D MAI IYALE |
| 430 | 374014 | SAHAL BIZ SOLUTIONS |
| 431 | 367086 | EIAZ LOGISTICS LIMITED |
| 432 | 262832 | CHRISTIAN VENTURES |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 433 | 262952 | A. M. A GABARA VENTURES |
| 434 | 262970 | I A DAN SMALL BLOCK INDUSTRY |
| 435 | 263137 | ALH MUSA NA IYA |
| 436 | 263057 | SHAMBASH MULTI TRADE COMP |
| 437 | 263078 | AHMADU HAMIDU & SONS |
| 438 | 263230 | SAMBORI INTERGRATEDRESOURCES |
| 439 | 263270 | DOGO MOHAMMED |
| 440 | 372332 | ABUKHALIF GLOBAL SYNERGY PLUS LTD |
| 441 | 384988 | A.A. YAHAYA NIGERIA LTD |
| 442 | 366999 | USMAN IDRIS NIG LTD |
| 443 | 262931 | Y. M. KYARI NIG LTD |
| 444 | 263200 | AL MAU VENTS |
| 445 | 263273 | DANKEMBU NIG. LTD |
| 446 | 263204 | ADAMU B. KAWU ASHAKA |
| 447 | 262958 | SSG MULTI SERVICES NIG |
| 448 | 403570 | AYORE ADEGBOLA VENTURES |
| 449 | 286111 | A B KURAWA & SONS NIG LTD |
| 450 | 277952 | STEFANUTTI STOCKS HAPEL |
| 451 | 263269 | A.A. UMARU "&" SONS |
| 452 | 263231 | SALE ABBA |
| 453 | 263260 | JAUDO FESHINGO |
| 454 | 263216 | MUHAMMAD TUKUR SABO |
| 455 | 263218 | ZUBAIRU A. A. GAMBO |
| 456 | 434417 | BULKZONE SERVICES |
| 457 | 263209 | MUHAMMAD ABBA AJI |
| 458 | 263066 | USMAN KANI KANURI GWARAM |
| 459 | 312729 | ABD 707 NIGERIA LTD |
| 460 | 263219 | ZAKARI BABAJI USMAN |
| 461 | 319004 | IFYLATEEF AND SONS VENTURES |
| 462 | 374695 | MAFRIEND GLOBAL VENTURES |
| 463 | 259649 | SAMAD KUNLE INVESTMENT LIMITED |
| 464 | 390266 | MODIBBO GLOBAL SERVICES LIMITED |
| 465 | 277906 | OCS GLOBAL STEEL NIGERIA LIMITED |
| 466 | 334778 | CONSTRINI LIMITED |
| 467 | 263259 | ABDULLAHI GARBA |
| 468 | 263147 | HASKE KOFAR MATA |
| 469 | 263003 | A.W. DANSOKOTO |
| 470 | 263001 | ALH. ADAMU WANZAM BLOCK IND |
| 471 | 259066 | RATCON CONSTRUCTION COMPANY LTD. |
| 472 | 263223 | WAZIRI SARKI |
| 473 | 402105 | ADRON HOMES & PROPERTIES LIMITED |
| 474 | 262966 | MAMU OIL NIGERIA LIMITED |
| 475 | 263250 | MAGIRA M. TOM |
| 476 | 263277 | BELLO MAIKAJI BODORIYEL |
| 477 | 263105 | A.U. BASHAR BLOCKS |
| 478 | 277909 | ALHAJI LAWAN JIBRIN |
| 479 | 263215 | CARTEL ENTERPRISES |
| 480 | 263172 | ARAS NIG. |
| 481 | 263045 | A. A. DARUMPHA & SONS |
| 482 | 257761 | U. SENCO NIG. ENTERPRISES |
| 483 | 326737 | BATCO-CMC AFRICA LIMITED |
| 484 | 436455 | FAMILY HOMES FUNDS LIMITED |
| 485 | 323139 | ADRA INTERNATIONAL LIMITED |
| 486 | 263140 | Z,S, COMMERCIAL LTD |
| 487 | 286027 | GIANT BRIDGE NIG LTD |
| 488 | 258127 | GROVEWORLD REALTIES INC. |
| 489 | 263275 | BUBA MAGAJI "&" SONS |
| 490 | 263164 | DAUDA GONJA |
| 491 | 263171 | AUWALU ADAMU CHELDU |
| 492 | 374025 | KHAMZARATI ENTERPRISES |
| 493 | 263237 | NUHU SHEHU DAN MAHAWAYI |
| 494 | 257487 | MUZALAB&ASSOCIATE INT'L NETWORK LTD |

| S/N | NO | CUSTOMERS' NAMES |
|---|---|---|
| 495 | 260078 | ROSE SEJ BUSINESS ENTERPRISES LTD |
| 496 | 263046 | CHUMON NIG LTD |
| 497 | 323775 | DE BLACKKIES MULTI SYNERGY LINK NIG |
| 498 | 263056 | ALHAJI AHMADU ABUBAKAR |
| 499 | 262939 | ALH. SABO MOHAMMED DALHATU CO. LTD |
| 500 | 367260 | MADVAL ENTERPRISES |
| 501 | 371011 | WINDE FRONTLINE RESOURCES LTD |
| 502 | 277901 | SABI'U DAYYAB VENTURES |
| 503 | 301230 | IRON BLOCK MOULDERS COMPANY |
| 504 | 397991 | VICKY WORLD INT'L CONCEPTS |
| 505 | 287102 | JULIUS BEN CONSTRUCTION COMPANY LTD |
| 506 | 434238 | BAKDEEL GLOBAL RESOURCES |
| 507 | 263178 | ALHAJI MOH'D SHIRA MAI KWAKWA |
| 508 | 327731 | JAZZAF GLOBAL RESOURCES NIG.LTD |
| 509 | 386097 | ABISKOLY REAL ESTATE DEVELOPERS |
| 510 | 262932 | IBRAHIM MUHTARI ENTERPRISES |
| 511 | 263048 | GREEN AND BLUE |
| 512 | 400863 | ALLY KAY LOGISTICS SERVICES LIMITED |
| 513 | 263271 | DATTI MAGAJI |
| 514 | 309876 | A-LITE NIGERIA LIMITED |
| 515 | 262367 | OKMAS (NIGERIA) LTD |
| 516 | 385006 | KENNETH BOLTON CONSTRUCTION |
| 517 | 260635 | SAFAMAQ NIG. LTD. |
| 518 | 263227 | TAHALILI NIGERIA LTD. |
| 519 | 262901 | MUBI BURNT BRICKS INDUSTRIES LTD |
| 520 | 258244 | BELLNASI GLOBAL VENTURES |
| 521 | 374431 | DESIGN ENGINEERING PROCUREMENT |
| 522 | 286035 | MAC LAW INTEGRATED SERVICES NIGERIA |
| 523 | 398339 | UMAR-ALFADILA & SONS ENTERPRISES |

2022 ANNUAL REPORT & ACCOUNTS

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