SHELF PROSPECTUS

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY. THIS SHELF PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF DANGOTE INDUSTRIES FUNDING PLC AND DANGOTE INDUSTRIES LIMITED AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE INQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN INACCURATE OR MISLEADING. **FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGES 110 TO 114. THE REGISTRATION OF THIS SHELF PROSPECTUS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS SHELF PROSPECTUS.**

DANGOTE

DANGOTE INDUSTRIES FUNDING PLC (RC 1901506)

(A SPECIAL PURPOSE VEHICLE WHOLLY OWNED BY DANGOTE INDUSTRIES LIMITED (RC 71242)
₦300,000,000,000 (THREE HUNDRED BILLION NAIRA)
DEBT ISSUANCE PROGRAMME

THIS SHELF PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUCTION WITH ANY SUPPLEMENT THERETO AND ALL DOCUMENTS WHICH ARE INCORPORATED HEREIN, BY REFERENCE AND, IN RELATION TO ANY SERIES OR TRANCHE (AS DEFINED HEREIN) OF BONDS, TOGETHER WITH THE APPLICABLE PRICING SUPPLEMENT. THIS SHELF PROSPECTUS SHALL BE READ AND CONSTRUED ON THE BASIS THAT SUCH DOCUMENTS ARE INCORPORATED HEREIN AND FORM PART OF THIS SHELF PROSPECTUS. COPIES OF THIS SHELF PROSPECTUS CAN BE OBTAINED AT NO COST AT THE OFFICES OF THE ISSUER AND THE ISSUING HOUSES.

THIS SHELF PROSPECTUS HAS BEEN ISSUED IN COMPLIANCE WITH PART IX OF THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (AS AMENDED) ("ISA"), RULE 279 UNDER PART F OF THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"), 2013 (AS AMENDED FROM TIME TO TIME) ("SEC RULES") AND CONTAINS PARTICULARS WHICH ARE COMPLIANT WITH THE REQUIREMENTS OF THE COMMISSION, THE APPPLICABLE LAWS AND THE LISTING REQUIREMENTS OF THE RELEVANT SECURITIES EXCHANGE FOR THE PURPOSE OF GIVING INFORMATION WITH REGARDS TO DANGOTE INDUSTRIES FUNDING PLC'S ₦300,000,000,000 (THREE HUNDRED BILLION NAIRA) DEBT ISSUANCE PROGRAMME (THE "PROGRAMME"). BONDS ISSUED UNDER THE PROGRAMME MAY BE ISSUED IN SERIES OR TRANCHES. THE FINAL TERMS OF THE RELEVANT SERIES OR TRANCHE WILL BE DETERMINED AT THE TIME OF THE OFFERING OF THAT SERIES OR TRANCHE BASED ON PREVAILING MARKET CONDITIONS AND WILL BE SET OUT IN THE RELEVANT PRICING SUPPLEMENT/SUPPLEMENTARY PROSPECTUS.

A COPY OF THIS SHELF PROSPECTUS HAS BEEN DELIVERED TO THE COMMISSION FOR REGISTRATION. THIS SHELF PROSPECTUS AND THE SECURITIES THAT IT OFFERS HAVE BEEN APPROVED AND REGISTERED BY THE COMMISSION. THE REGISTRATION OF THIS SHELF PROSPECTUS AND ANY PRICING SUPPLEMENT THEREAFTER DOES NOT IN ANY WAY WHATSOEVER SUGGEST THAT THE COMMISSION ENDORSES OR RECOMMENDS THE BONDS OFFERED OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED THEREIN. NO BOND WILL BE ALLOTTED OR ISSUED ON THE BASIS OF THIS SHELF PROSPECTUS READ TOGETHER WITH ANY SUPPLEMENTARY SHELF PROSPECTUS OR PRICING SUPPLEMENT LATER THAN 3 (THREE) YEARS FROM THE DATE OF THIS SHELF PROSPECTUS UNLESS THE VALIDITY PERIOD (AS SUBSEQUENTLY DEFINED) IS EXTENDED BY THE COMMISSION.

THE DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS SHELF PROSPECTUS AND DECLARE THAT HAVING TAKEN REASONABLE CARE TO ENSURE THAT THE INFORMATION CONTAINED HEREIN IS, TO THE BEST OF THEIR KNOWLEDGE, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION AND THAT SAVE AS DISCLOSED HEREIN, NO OTHER SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR INACCURACY RELATING TO THE INFORMATION INCLUDED IN THIS SHELF PROSPECTUS AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME HAS ARISEN OR HAS BEEN NOTED, AS THE CASE MAY BE. IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE ISA TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS SHELF PROSPECTUS IS PROVIDED FOR IN SECTIONS 85 AND 86 OF THE ISA. **INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF THE BONDS ISSUED THEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.**

LEAD ISSUING HOUSE

standard chartered

RC 680774

JOINT ISSUING HOUSES

Stanbic IBTC Capital	MERISTEM CAPITAL LIMITED	VETIVA CAPITAL MANAGEMENT LIMITED
RC 1031358	**RC 1031358**	**RC 485600**

THIS SHELF PROSPECTUS IS DATED THE 19TH DAY OF JULY, 2022

This Shelf Prospectus will be available on the following websites throughout the Validity Period

www.dangote.com www.sec.gov.ng

TABLE OF CONTENTS

1. PRESENTATION OF INFORMATION

Dangote Industries Limited (the "**Sponsor**" or "**Company**") maintains its books of accounts in Naira and in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Unless otherwise specifically stated elsewhere in this Shelf Prospectus, the financial information set forth herein relates to the Company and its consolidated subsidiaries (the "**Group**" and all references to "our" and "we" in this prospectus shall also mean the Group) and has been derived from the Group's unaudited Management Accounts for the period ended 30 September, 2021 ("**Q3 Management Accounts**") and audited consolidated financial statements as at and for the years ended 31 December, 2020 (the "**2020 Financial Statements**"), 31 December 2019 (the "**2019 Financial Statements**"), 31 December 2018 (the "**2018 Financial Statements**"), 31 December 2017 (the "**2017 Financial Statements**") and 31 December 2016 (the "**2016 Financial Statements**") (together, the "**Financial Statements**").

The Financial Statements were audited by Deloitte & Touche, who were auditors of the Company for those financial years. The Financial Statements were audited by the above-referenced firms in accordance with the International Standards on Auditing issued by International Federation of Accountants (IFAC) ("**International Standards on Auditing**"). The 2020 Financial Statements were prepared in the manner required by the Companies and Allied Matters Act No. 3 of 2020 and the 2019 Financial Statements, 2018 Financial Statements, 2017 Financial Statements and 2016 Financial Statements were prepared in the manner required by the Companies and Allied Matters Act Chapter C20, Laws of the Federation of Nigeria, 2004.

The Q3 Management Accounts was prepared by the management of the Company in accordance with the International Accounting Standard 34 *"Interim Financial Reporting".*

Deloitte & Touche is an independent auditor in accordance with the International Standards on Auditing and the firm is located at Civic Towers, Plot GA1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Nigeria.

Certain statistical information presented in this Shelf Prospectus on topics such as the Nigerian economy, political landscape and related subjects have been obtained from third party sources, as described in the relevant sections. The Company has accurately reproduced such information and as far as it is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the information inaccurate or misleading. Neither the Company, the Issuer, the Lead Issuing House, the Joint Issuing Houses nor any of the Company's other Professional Parties have independently verified the figures, market data or other information on which such third parties have based their report(s). Some of the estimates in this Shelf Prospectus are based on such third-party information. Prospective investors are advised to consider this statistical information with caution.

2. DEFINITION OF TERMS

Words	Meaning
"Auditors"	Deloitte & Touche
"Board" or "Directors"	Board of Directors of the Company or Board of Directors of the Issuer (as applicable);
"Bond(s)"	Registered bonds or any other type of debt instruments or securities that will be issued by the Issuer from time to time under the programme with an aggregate value not exceeding ₦300,000,000,000 (Three Hundred Billion Naira) in accordance with the terms of this Shelf Prospectus and any applicable Pricing Supplement;
"Book"	The collation of all bids received from Qualified Investors in respect of Bonds issued under the Programme which are being sold by way of Book Building indicating the value of the bids and the respective allocations;
"Book Building"	As defined in Rule 321 of the SEC Rules, a process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Investors;
"Book Runner(s)"	The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Bonds being sold by way of Book Building (as applicable);
"Business Day"	Any day, except Saturdays, Sundays and public holidays declared by the Federal Government, on which commercial banks are open for business in Nigeria;
"CAMA"	Companies and Allied Matters Act, No 3 of 2020;
"CBN"	Central Bank of Nigeria;
"CIT"	Companies Income Tax;
"CITA"	Companies Income Tax Act Chapter C21, LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Acts, 2019, 2020 and 2021);
"Co-obligor"	Dangote Oil Refining Company Limited and Dangote Fertiliser Limited;
"Conditions" or "Terms and Conditions"	Terms and conditions in accordance with which any Bonds will be issued, set out in the section of this Shelf Prospectus headed "Terms and Conditions of the Bonds" and in the relevant Trust Deeds;
"Coupon"	The interest paid on any Bond (other than a Zero-Coupon Bond) issued under the Programme periodically, expressed as a percentage of the face value of the Bond;
"Coupon Commencement Date"	The Issue Date for any particular Series or Tranche of Bonds or such other date as may be specified in the applicable Pricing Supplement, from which Coupon on a Series of the applicable Bonds will begin to accrue;

“Coupon Payment Date”	The date on which any Coupon falls due for payment to the Holders of Bonds as specified in the applicable Pricing Supplement;
“Coupon Rate”	The rate or rates (expressed as a percentage per annum) of interest payable in respect of the Bonds specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions of the applicable Pricing Supplement;
“COVID-19”	The coronavirus disease, a communicable respiratory disease that causes illness in humans;
“CSD” or “Depository”	CSCS or FMDQ Depository Limited;
“CSCS” or the “Clearing System”	Central Securities Clearing Systems, operated by the Central Securities Clearing Systems PLC;
“Daily Official List”	The daily publication of The NGX detailing price movements and information on all securities quoted on The Exchange;
“Daily Quotation List”	The daily official publication of the FMDQ containing market/model prices and yields, and the values traded on all securities listed and quoted on the FMDQ;
“Dangote Industries”, “DIL” or “Sponsor”	Dangote Industries Limited;
“Debt Issuance Programme” or the “Programme”	The ₦300,000,000,000 debt issuance programme being undertaken by the Issuer as described in this Shelf Prospectus, pursuant to which the Issuer may issue Series or Tranches (as applicable) of Bonds from time to time up to a maximum aggregate Principal Amount of ₦300,000,000,000;
“Events of Default”	All such events as are defined under the Programme Trust Deed and particularly set out in the Series Trust Deed for the relevant Series;
“FGN” or “Federal Government”	Federal Government of Nigeria;
“Final Terms” or “Pricing Supplement” or “Supplementary Prospectus”	The document(s) to be issued pursuant to this Shelf Prospectus, which shall provide final terms and conditions of a specific Series or Tranches of Bonds issued under the Programme and is to be read in conjunction with the Shelf Prospectus;
“Fixed Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis;
“Floating Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a floating rate basis;
“FMDQ”	FMDQ Securities Exchange Limited;
“GDP”	Gross Domestic Product;
“High Net Worth Investor”	As defined in the SEC Rules;
“Holder(s)” or “Bondholder(s)”	Registered or beneficial owner of the Bonds to be issued in accordance with this Shelf Prospectus and the applicable Pricing Supplement;
“IFRS”	International Financial Reporting Standards;

"Index Linked Coupon Bond"	Bonds in respect of which Coupon will be calculated by reference to an index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be prescribed in the applicable Pricing Supplement;
"ISA"	Investments and Securities Act No. 29 of 2007 (as amended);
"Issue Date"	The date on which any Bond is issued as specified in the relevant Final Terms;
"Issue Price"	The price at which any Bond is issued as specified in the applicable Pricing Supplement;
"Issuer"	Dangote Industries Funding Plc;
"Issuing Houses"	The Lead Issuing House and Joint Issuing Houses;
"Joint Issuing Houses"	Stanbic IBTC Capital Limited, Vetiva Capital Management Limited, Meristem Capital Limited and/or any other issuing house that may be appointed by the Issuer as a joint issuing house;
"Lead Issuing House"	Standard Chartered Capital & Advisory Nigeria Limited or any other issuing house that may be appointed by the Issuer as a lead issuing house;
"LFN"	Laws of the Federation of Nigeria, 2004;
"Maturity Date"	The date on which any Principal Amount of Bonds of a Series or Tranche becomes due and payable;
"Naira/NGN" or "₦"	The Nigerian Naira;
"Nigeria"	The Federal Republic of Nigeria, and the term "Nigerian" shall be construed accordingly;
"OTC"	Over-the-counter;
"PIT"	Personal Income Tax;
"PITA"	Personal Income Tax Act Chapter, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011 and the Finance Act, 2019, Finance Act 2020 and Finance Act 2021);
"Professional Party(ies)"	Professionals engaged by the Issuer in connection with the establishment of the Programme as listed out on pages 22-23 of this Shelf Prospectus;
"Principal" or "Principal Amount"	The nominal amount of each Bond, as specified in the applicable Pricing Supplement;
"Programme Size"	The maximum aggregate outstanding Principal Amount of all the Bonds that may be issued under the Programme, being ₦300,000,000,000 (Three Hundred Billion) Naira;
"Programme Trust Deed"	The Programme Trust Deed dated on or about the date of this Shelf Prospectus between the Issuer, Company, Co-obligors and the Trustees in connection with the Debt Issuance Programme and under which the Bonds will be constituted'
"Qualified Institutional Investor(s)"	Qualified Institutional Investors as defined in Rule 321 of the SEC Rules;
"Qualified Investors"	Qualified Institutional Investors and High Net Worth Investors, as stipulated by the SEC Rules;

"Rating Agency"	Global Credit Rating Company Limited or Fitch Ratings Limited;
"Registrar"	Meristem Registrars & Probate Services Limited or any other entity so appointed by the Issuer;
"SEC" or "Commission	Securities and Exchange Commission, Nigeria;
"SEC Rules"	The rules and regulations of the SEC, 2013 issued pursuant to the ISA (as amended from time to time);
"Senior Bonds"	Bonds (or other similar securities) that rank *pari passu* without any preference of one above another by reason of priority of date of issue, currency of payment or otherwise with all other senior unsecured obligations of the Issuer, present and future, and such additional features as may be specified in the applicable Pricing Supplement;
"Series"	Tranche of Bonds together with any further Tranche or Tranches of Bonds which are identical in all respects except for their respective Issue Dates and/or Maturity Dates, Coupon Commencement Dates and/or Issue Prices (as applicable);
"Series Trust Deed''	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, Company, Co-obligors and the Trustees with regards to a specific Series or Tranche (as applicable);
"Shelf Prospectus" or "Prospectus"	This prospectus that the Issuer has filed in connection with the Programme, in accordance with the SEC Rules'
"Subordinated Bonds"	Bonds that rank *pari passu*, without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations;
"The NGX" or "The Exchange"	The Nigerian Exchange Limited;
"Tranche"	Bonds which are identical in all respects (as applicable) (including as to listing) except for their respective Issue Dates and/or Maturity Dates, Coupon Commencement Dates and/or Issue Prices (as applicable);
"Trust Deeds"	Programme Trust Deed and Series Trust Deed;
"Trustees"	ARM Trustees Limited, Coronation Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited, their successors and permitted assigns and/or any other trustee appointed by the Issuer in accordance with the Programme Trust Deed;
"Trustees Act"	Trustee Investments Act Chapter T22, LFN 2004;
"Validity Period"	A period of three (3) years from the date of this Shelf Prospectus, save as may be extended further to the approval of the SEC;

“Variable Coupon Amount Bond”	A Bond on which payment of Coupon will be calculated by reference to a variety of financial instruments, a currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement;
“VAT”	Value Added Tax;
“Zero Coupon Bond”	Non-interest-bearing Bond or similar securities.

3. DECLARATION BY THE ISSUER

RC 1901586

Dangote Industries Funding Plc

Union Marble House
1, Alfred Rewane Road
Ikoyi, Lagos, Nigeria
P. O. Box 40032, Falomo, Ikoyi
Tel: +234 1 2695108, 2695109, 2695110
Fax: +234 1 2695009, 2695316
E-mail: dangote@dangote.com
website: www.dangote.com

25 April 2022

DECLARATION BY THE ISSUER

The Shelf Prospectus and Pricing Supplement has been prepared on our behalf to provide information and disclosures on relevant aspects of Dangote Industries Funding Plc (the "Issuer") and Dangote Industries Limited (the "Sponsor"), to prospective investors in connection with the Programme and the investment in the securities to be issued thereon.

On behalf of the Board of Directors, we hereby make the following declarations to the best of our knowledge and belief:

1. We confirm that the information contained in the Shelf Prospectus and Pricing Supplement is in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition or material adverse change in the prospects of the Issuer as of the date of publication of the Shelf Prospectus and Pricing Supplement;
3. The Issuer is not in breach of any terms and conditions in respect to borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) months preceding the date of the Shelf Prospectus and Pricing Supplement; and
4. No prosecution has been commenced against either the Issuer or any of its subsidiaries during the twelve (12) calendar months immediately preceding the date of the Shelf Prospectus and Pricing Supplement in respect of any breach or contravention of any provision of the Companies and Allied Matters Act or the listing requirements of any Securities Exchange on which the securities of the Issuer are listed.

SIGNED for and on behalf of,
DANGOTE INDUSTRIES FUNDING PLC

By its duly authorized representatives

Chidi Okoroji Esq.
Notary Public
Federal Republic Of Nigeria
Suite 208, Entrance 7,
East Wing Tbs, Lagos.
chidiokoroji@gmail.com
08037218356

		Banwo & Ighodalo
ALIKO DANGOTE **DIRECTOR**	**OLAKUNLE ALAKE** **DIRECTOR**	**BANWO & IGHODALO** **COMPANY SECRETARY** Signed by: Tosin Ajeboj

Directors: Alhaji Aliko Dangote, GCON, Olakunle Alake

4. DECLARATION BY THE SPONSOR

DANGOTE

RC 71242
Dangote Industries Limited
Marble House
1, Alfred Rewane Road,
Ikoyi, Lagos, Nigeria
Tel: +234 1 4480816-6, +234 1 2712233-4
Email: dangote@dangote.com
Website: www.dangote.com

25 April 2022

DECLARATION BY THE SPONSOR

The Shelf Prospectus and Pricing Supplement have been prepared on our behalf to provide information and disclosures on relevant aspects of Dangote Industries Funding Plc (the "Issuer") and Dangote Industries Limited (the "Sponsor"), to prospective investors in connection with the Programme and the investment in the securities to be issued thereon.

On behalf of the Board of Directors, we hereby make the following declarations to the best of our knowledge and belief:

1. We confirm that the information contained in the Shelf Prospectus and Pricing Supplement is in accordance with the facts and contains no omission likely to affect its import.
2. There has been no significant change in the financial condition or material adverse change in the prospects of the Sponsor as of the date of publication of the Shelf Prospectus and Pricing Supplement.
3. The Sponsor is not in breach of any terms and conditions in respect to borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) months preceding the date of the Shelf Prospectus and Pricing Supplement; and
4. No prosecution has been commenced against either the Sponsor or any of its subsidiaries during the twelve (12) calendar months immediately preceding the date of the Shelf Prospectus and Pricing Supplement in respect of any breach or contravention of any provision of the Companies and Allied Matters Act or the listing requirements of any Securities Exchange on which the securities of the Sponsor are listed.

Yours faithfully,

SIGNED for and on behalf of,
DANGOTE INDUSTRIES LIMITED

By its duly authorized representatives

Chidi Okoroji Esq.
Notary Public
Federal Republic Of Nigeria
Suite 203, Entrance 7,
East Wing Tbs, Lagos.
chidiokoroji@gmail.com
08037218355

OLAKUNLE ALAKE **GROUP MANAGING DIRECTOR**	**MUSTAPHA IBRAHIM** **CHIEF FINANCIAL OFFICER**	**MAHMUD KAZAURE** **COMPANY SECRETARY**

Directors: Aliko Dangote *GCON*, Sani Dangote, Abdu Dantata, Olakunle Alake (GMD), Devakumar V. G. Edwin *(Indian)*, Halima Aliko-Dangote, Adenike Fajemirokun, Ahmed Mansur, Emmanuel Ikazoboh, Viswanathan Shankar *(Singaporean)*, Arnold Ekpe

5. CONFIRMATION OF GOING CONCERN BY THE SPONSOR

DANGOTE

RC: 71242

Dangote Industries Limited
Marble House
1, Alfred Rewane Road,
Ikoyi, Lagos, Nigeria
Tel: +234 1 4480816-6, +234 1 2712233-4
Email: dangote@dangote.com
Website: www.dangote.com

25 April 2022

The Directors
Standard Chartered Capital & Advisory Nigeria Limited
142, Ahmadu Bello Way
Victoria Island
Lagos.

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF DANGOTE INDUSTRIES LIMITED ("DIL" OR THE "SPONSOR")

Dangote Industries Funding Plc is in the process of seeking registration of its proposed NGN300 Billion Debt Issuance Programme (The "Programme") with the Securities & Exchange Commission ("SEC"), for which Dangote Industries Limited is the Sponsor.

Based on our review of the financial statements of the Sponsor for the year ended 31 December 2020, we have a reasonable expectation that DIL has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared only for compliance with the rules and regulations of the SEC.

Yours faithfully,
For and on behalf of **Dangote Industries Limited**

Mustapha Ibrahim
Chief Financial Officer

Olakunle Alake
Group Managing Director

6. CONFIRMATION OF GOING CONCERN BY THE AUDITORS

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

20 May 2022

The Managing Director
Standard Chartered Capital & Advisory Nigeria Limited
142, Ahmadu Bello Way
Victoria Island
Lagos.

Dear Sir,

Going Concern Status of Dangote Industries Limited ("DIL" or the "Sponsor") in Respect of the Establishment of The Dangote Industries Funding Plc NGN300 Billion Debt Issuance Programme

Dangote Industries Funding Plc is in the process of seeking registration of its proposed NGN300 Billion Debt Issuance Programme by the Securities & Exchange Commission ("SEC"), for which Dangote Industries Limited is the Sponsor.

We have audited the consolidated and separate financial statements of the Sponsor for the year ended 31 December 2020, which were prepared in accordance with the International Financial Reporting Standards, the Companies Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2011.

Based on our audit of the financial statements of DIL for the year ended 31 December 2020, we confirm that nothing has come to our attention that causes us to believe that the Sponsor will not continue as a going concern in the foreseeable future. Therefore, we consider it appropriate that the Directors of DIL have prepared the financial statements for the year ended 31 December 2020 on a going concern basis.

This letter has been prepared solely for the purpose of compliance with the rules of the SEC

Yours faithfully,
For: Deloitte & Touche

Hassan Lawal
Partner, Audit Services

MAKING AN IMPACT THAT MATTERS since 1845

7. NOTICE TO PROSPECTIVE INVESTORS

This Shelf Prospectus has been prepared by the Issuer and the Sponsor in connection with the Programme, pursuant to which the Issuer proposes to issue Bonds with varying maturities, terms and conditions and is issued, for purposes of giving information to prospective investors in respect of the Bonds.

The Programme provides some flexibility for the Issuer as it accommodates the issuance of various bonds in accordance with applicable laws, this Shelf Prospectus and the Terms and Conditions.

Following the registration of this Shelf Prospectus with the SEC, the SEC will register the Bonds as they are issued under each Series.

No person has been authorised to give any information or to make any representation other than those contained in this Shelf Prospectus in connection with the Programme and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Company or any of the Professional Parties.

7.1 INVESTMENT ADVICE

Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer the Company, or any of the Professional Parties that any recipient of this Shelf Prospectus or any other information supplied in connection with the Bonds should purchase the Bonds.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person is not to be construed as constituting investment advice from the Issuer, the Company or the Professional Parties, to any prospective investor. Prospective investors should make their independent assessment of the benefits of subscribing to the Bonds and should obtain their own professional advice in connection with any prospective investment by them in the Bonds.

Neither the Shelf Prospectus nor any other information supplied in connection with the Programme or the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Company or any of the Professional Parties to any person to subscribe to or purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Company is correct at any time after the date of this Shelf Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date of the document containing same.

The Professional Parties expressly do not undertake to review the financial condition or affairs of the Issuer or the Group throughout the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Professional Parties have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Professional Parties as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds or their distribution. Each person receiving this Shelf Prospectus acknowledges that it has not relied on the Issuing Houses or any other Professional Party or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision.

The Issuer and the Company, and the members of their respective board of directors, whose names appear on pages 20 and 21 of this Shelf Prospectus, individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained in this Shelf Prospectus are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

7.2 STATISTICAL INFORMATION, DATA AND FIGURES

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Some statistical information reported in this Shelf Prospectus have been reproduced from official publications of, and information supplied by, a number of the Nigerian government agencies and ministries, and other third-party sources, including the CBN, the International Monetary Fund (the "**IMF**"), the Debt Management Office (the "**DMO**") and the National Bureau of Statistics (the "**NBS**"). Views may necessarily vary among the sources from which the information in this Shelf Prospectus was obtained. This third-party information is presented under "Industry Overview", "Macro-Economic Overview" and "Risk Factors". Where such third-party information appears in this Shelf Prospectus, it has been cited as such. The Issuer and Company have accurately reproduced such information, have not independently verified such information included in this Shelf Prospectus, so far as the Issuer and the Company are aware and are able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Issuer and the Company have relied on the accuracy of this information without independent verification.

Prospective investors are, therefore, advised to consider this information with caution. The underlying information, on which market studies are based, is to all intents and purposes, speculative. As such, these market and industry studies may not be accurate or appropriate. While neither the Issuer, the Company nor the Professional Parties have any reason to believe that any of the market or industry is materially inaccurate, neither the Issuer, the Company nor the Professional Parties have independently verified the figures, market data or other information on which third parties have based their studies and no representation is made by the Issuer, the Company or the Professional Parties with respect to the accuracy or completeness of any of these market or industry studies.

7.3 CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Shelf Prospectus and any applicable Pricing Supplement may contain statements that constitute forward-looking statements that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. All statements other than statements of historical facts included in this Shelf Prospectus are forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the plans, objectives or goals of the Issuer, the Company and its subsidiaries, the Issuer or the Company's future economic performance or prospects, the potential effect on the Issuer or the Company's future economic performance or prospects, the potential effect on the Group's future performance of certain contingencies; and assumptions underlying any such statements. The forward-looking statements by the Issuer or the Company concerning its anticipated development have been included solely for illustrative purposes.

Words such as "believes", "anticipates", "expects", "estimates", "may", "are expected to", "intends", "will", "will continue", "should", "would", "seeks", "approximately", "anticipates", "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

The Issuer and the Company are not obliged to and do not intend to update these forward-looking statements except as may be required by applicable securities laws. All subsequent written or oral forward-looking statements attributed to the Issuer or the Company, or persons acting on the Issuer or the Company's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor in the Bonds should not place undue reliance on these forward-looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

These factors include:

- The overall political, socio-economic and business environment in Nigeria and other African countries in which the Group operates;
- Economic and political conditions in international markets, including governmental changes;
- Changes in tax provisions, including tax rates or revised/new tax laws or interpretations;
- Interest rate fluctuations and changes in other capital market conditions affecting interest rate levels;
- Changes in government regulations, especially those pertaining to the industries in which the Group operates;
- The demand for the Group's products;
- Exchange rate fluctuations;
- Hostilities and disruptions in Nigeria, or other countries in which the Group operates;
- The ability to maintain sufficient liquidity and access capital markets;
- Adverse rating actions by credit rating agencies in respect of the Company;
- The Company's ability to achieve its strategic objectives, including improved performance, reduced risks, lowered costs and more efficient use of capital;
- The ability of counterparties to meet their obligations to the Company;
- The effects of, and changes in, fiscal, monetary and trade policies, and currency fluctuations;
- Developments relating to war, civil unrest or terrorist activity;
- The possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which the Group conduct operations;
- Operational factors such as systems failure, human error or the failure to implement procedures properly;
- Actions taken by regulators with respect to the Group businesses and practices and possible resulting changes to the business organisation, practices and/or policies;
- The ability to retain and recruit qualified personnel;
- The ability to maintain the Company's reputation and promote the Group's brands;
- The ability to increase market share and control expenses;
- Technological changes;
- Acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- The adverse resolution of litigation, regulatory proceedings and/or other contingencies;
- The ability to achieve the Company's cost efficiency goals and cost targets; and
- The Sponsor's success at managing the risks involved in the foregoing.

The list above is not exhaustive. The sections of this Shelf Prospectus titled "*Risk Factors*" and "*Operating Overview*" contain more detailed discussions on the factors that could affect the Group's future performance and the industry in which it operates.

If one or more of the risks or uncertainties described under "Risk Factors" or elsewhere in this Shelf Prospectus materialize, or if underlying assumptions prove incorrect, the Sponsor's actual results, performance or achievements or industry results may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only to the date of this Shelf Prospectus or as of such earlier date at which such statements are expressed to be given.

The Issuer and Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's beliefs or the Company's expectations with regards thereto or any change in circumstances, events or conditions on which any such statements are based. Thus, when evaluating forward-looking statements, prospective investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Shelf Prospectus.

8. DOCUMENTS INCORPORATED BY REFERENCE

This Shelf Prospectus should be read and construed in conjunction with:

1. The Q3 Management Accounts and the Financial Statements comprising the audited annual financial statements of the Company and prepared in compliance with the IFRS issued by the IASB. The Company will, in the event of any material change in its financial position which is not reflected in this Shelf Prospectus, prepare an amendment or addendum to this Shelf Prospectus; and

2. Each applicable Pricing Supplement or Supplementary Prospectus relating to any Series or Tranche of the Bonds issued under this Prospectus.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Shelf Prospectus.

8.1 AVAILABILITY OF INFORMATION

This Shelf Prospectus and any Supplementary Prospectus, if applicable, are accessible, and copies of same may be obtained (without charge) at the offices of the Issuing Houses (as set out on page 22) from 8.00 a.m. until 5.00 p.m. on Business Days, during the Validity Period.

Additional information may be obtained by contacting the Lead Issuing House on any Business Day during the period between the respective opening and closing dates of any Series or Tranche of Bonds issued under the Programme as specified in the applicable Pricing Supplement; provided that the Lead Issuing House possesses such information or can acquire and provide it to the prospective investor without unreasonable effort or expense.

Copies of the Financial Statements of the Company incorporated by reference herein may be obtained from the Sponsor's website at: *www.dangote.com*. Telephone enquiries should be directed to the Lead Issuing House on +234 906 000 3967 or at amaka.nsofor@sc.com

9. ISSUE OF PRICING SUPPLEMENTS

Following the registration of this Shelf Prospectus with the SEC, a Pricing Supplement may be prepared by the Issuer and the Issuing Houses (in relation to a Series or Tranches of Bonds) for the approval of the SEC in accordance with the SEC Rules.

The Issuer and Company's information given in this Shelf Prospectus and the terms and conditions of the Bonds to be issued under the Programme may be updated in a Supplementary Prospectus or the applicable Pricing Supplement pursuant to the SEC Rules. Statements contained in any such Pricing Supplement, shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus.

10. PARTIES

10.1 DIRECTORS AND COMPANY SECRETARY OF THE ISSUER

DIRECTORS

OLAKUNLE ALAKE

Alhaji Aliko Dangote, GCON (Chairman)
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Olakunle Alake
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

COMPANY SECRETARY

Banwo & Ighodalo
48 Awolowo Road
South-West Ikoyi
Lagos

Banwo & Ighodalo
(Company Secretary)
48, Awolowo Road, S.W.
Ikoyi, Lagos

Banwo & Ighodalo
Tosin

10.2 DIRECTORS AND COMPANY SECRETARY OF THE SPONSOR

AMAKA NSOFOR
STANDARD CHARTERED

DIRECTORS

Alhaji Aliko Dangote, GCON (Chairman)
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Olakunle Alake
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Devakumar V.G. Edwin
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Alhaji Abdu Dantata
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Hajia Halima Aliko-Dangote
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Mansur Ahmed
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Dr. Adenike Fajemirokun
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Viswanathan Shankar
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Arnold Ekpe
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

OLAKUNLE ALAKE

Mr. Emmanuel Ikazoboh
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

AUDIT AND RISK COMMITTEE OF THE SPONSOR

Mr. Arnold Ekpe (Chairman) OLAKUNLE ALAKE

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Emmanuel Ikazoboh OLAKUNLE ALAKE

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Viswanathan Shankar OLAKUNLE ALAKE

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Dr. Adenike Fajemirokun OLAKUNLE ALAKE

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Olakunle Alake

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Abdu Dantata OLAKUNLE ALAKE

Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

10.3 PROFESSIONAL PARTIES

Lead Issuing House:

Standard Chartered Capital & Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos

YEMISI DESI-BEJIDE

Joint Issuing Houses:

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

FUNSO AKERE

Meristem Capital Limited
124 Norman Williams Street
South West Ikoyi
Lagos

Vetiva Capital Management Limited
266B Kofo Abayomi Street
Victoria Island
Lagos

Olutade Olaegbe

Joint Trustees:

ARM Trustees Limited
1 Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi
Lagos

GOZIE ALOZIEUWA

Coronation Trustees Limited
No 10, Amodu Ojikutu Street
Off Saka Tinubu Street
Victoria Island, Lagos

FBNQuest Trustees Limited
16-18 Keffi Street
Southwest Ikoyi
Lagos

Adekunle Awojobi

Quantum Zenith Trustees & Investments Limited
12th Floor, Plot 2
Ajose Adeogun Street
Victoria Island
Lagos

MARK UKPERE

Solicitors to the Issuer:

Banwo & Ighodalo
48 Awolowo Road
South-West Ikoyi
Lagos

Azeezah Muse-Sadiq

Solicitors to the Transaction:

Olaniwun Ajayi LP
The Adunola
Plot L2, 401 Close
Banana Island, Ikoyi
Lagos

Reporting Accountant:

Ernst & Young
UBA House
57 Marina
Lagos Island
Lagos

Babayomi Ajijola

Auditor:

Deloitte & Touche
Civic Towers, Plot GA1
Ozumba Mbadiwe Avenue
Victoria Island, Lagos

Onyebuchi Chizoba

Rating Agencies:

Global Credit Rating Company Limited
17th Floor, New Africa House
31 Marina
Lagos

Suliat Iyiola-Farayola

Registrar:

Meristem Registrars & Probate Services Limited
213 Herbert Macaulay Way,
Yaba
Lagos
http://meristemng.com/
Email: info@meristemregistrars.com

Mubo Olasoko

Joint Trustees Advised by:
Sefton Fross
20B Kingsley Emu Street,
Lekki Scheme 1
Lagos, Nigeria.

CORPORATE INFORMATION OF THE ISSUER:

Head Office:
Dangote Industries Funding Plc
Union Marble House
1, Alfred Rewane Road
Falomo, Ikoyi, Lagos

Website:
www.dangote.com

Contact telephone number and email:
+234 802 314 3957
groupcorpfin@dangote.com

11. THE PROGRAMME

A copy of this Shelf Prospectus and the documents specified herein have been delivered to the SEC for approval and registration.

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the SEC Rules and the listing requirements of relevant securities exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the Programme. In the event that any issue under the Programme is to be listed, an application will be made to either the NGX for the admission of such Bonds to its Daily Official List and/or to the FMDQ for the admission to its Daily Quotations List for the listing of the Bonds. Upon admission, the Bonds will qualify as securities in which Trustees may invest under the Trustees Act.

The directors of the Company have taken all reasonable care to ensure that the information concerning the Issuer and the Group, as contained in this Shelf Prospectus, is true and accurate in all material respects on the date of this Shelf Prospectus and that as of the date hereof, there are no other material facts in relation to the Issuer or Company, the omission of which would make misleading any statement herein, whether in fact or opinion.

LEAD ISSUING HOUSE

standard chartered

RC 680774

JOINT ISSUING HOUSES

Stanbic IBTC Capital	MERISTEM CAPITAL LIMITED	VETIVA CAPITAL MANAGEMENT LIMITED
RC 1031358	**RC 1297664**	**RC 485600**

on behalf of

DANGOTE INDUSTRIES FUNDING PLC (RC 1901506)

(A SPECIAL PURPOSE VEHICLE WHOLLY OWNED BY DANGOTE INDUSTRIES LIMITED (RC 71242)

are authorised to distribute this Shelf Prospectus in respect of the

₦ 300,000,000,000 Debt Issuance Programme.

This Shelf Prospectus has been registered with the SEC. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bond described herein or assumes responsibility for the correctness of any statements made or opinions or reports included herein.

This Shelf Prospectus must be read in conjunction with the relevant Pricing Supplement to be issued by the Issuer from time to time within the Validity Period. No Bonds will be issued on the basis of this Prospectus read together with any Pricing Supplement later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus unless the Validity Period is extended by the SEC.

This Shelf Prospectus contains:

1. on pages 10 and 11, the declaration to the effect that the Issuer and the Company did not breach any Terms and Conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the 12 (twelve) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;

2. on pages 31 to 44, the Terms and Conditions of the Bonds;

3. on pages 115 to 208, the extract of the Reporting Accountant's Report on the Company's historic financial information, prepared by Ernst & Young;

4. on pages 105 to 108, extract of the rating report on the Company prepared by the Rating Agencies; and

5. on pages 211 to 213, details of the claims and litigation against the Company prepared by the Solicitors to the Transaction.

12. PARTICULARS OF THE PROGRAMME

12.1 VALIDITY PERIOD OF THE SHELF PROSPECTUS

This Shelf Prospectus is valid until the 19 July 2025. No Bonds shall be issued or allotted on the basis of this Shelf Prospectus read together with the relevant Pricing Supplement(s) after the expiration of the Validity Period unless the Validity Period is extended by the SEC.

12.2 SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and qualified in its entirety by, the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any particular Series, the relevant Pricing Supplement. Words and expressions defined in ''*Form of the Bonds* and ''*Terms and Conditions of the Bonds* shall have the same meanings in this summary:

ISSUER:	Dangote Industries Funding Plc.
SPONSOR:	Dangote Industries Limited.
PROGRAMME DESCRIPTION:	A debt issuance programme being undertaken by the Issuer pursuant to which Series or Tranches of Bonds may be issued by Dangote Industries Funding Plc, the maximum aggregate Principal Amount outstanding of which shall not exceed the Programme Size. Under the terms of the Programme, Senior Bonds, Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, Zero Coupon Bonds and any combinations thereof (as applicable, where possible) may be issued, all of which shall be denominated in Naira or in such other currency and on such terms and conditions as may be agreed between the Issuer and the Issuing Houses and specified in the relevant Pricing Supplement. Bonds to be offered hereunder are accorded a shelf registration with the SEC for a three (3) year period commencing on the date of the issue of this Shelf Prospectus. The Bond shall be constituted by the Programme Trust Deed. A Series Trust Deed will be issued in respect of each Series.
LEAD ISSUING HOUSE:	Standard Chartered Capital & Advisory Nigeria Limited and/or any other issuing house appointed as a lead issuing house, from time to time, in relation to the Programme.
JOINT ISSUING HOUSES:	Stanbic IBTC Capital Limited, Meristem Capital Limited and Vetiva Capital Management Limited and/or any other issuing house appointed as a joint issuing house and as may be specified in the relevant Pricing Supplement.
REGISTRAR:	Meristem Registrars & Probate Services Limited and/or such other registrar as may be specified in the relevant Pricing Supplement.

LISTING:	Each Series or Tranche of the Bonds may be unlisted or listed on a recognized securities exchange such as the NGX, the FMDQ and/or any other relevant securities exchange as specified in the applicable Pricing Supplement.
PROGRAMME SIZE:	Up to ₦300,000,000,000 (Three Hundred Billion Naira).
AVAILABILITY:	The Programme will be continuously available during the Validity Period.
METHODS OF ISSUE:	Bonds under this Programme may be issued via Book Building, public offering, private placement or any other such methods as described in the applicable Pricing Supplement and as approved by the SEC.
ISSUANCE IN SERIES:	The Bonds may be issued in Series and each Series may comprise one (1) or more Tranches. The Bonds in each Series will be subject to identical terms, whether as to currency or otherwise, or terms which are identical except that the Issue Date, Maturity Date, the Issue Price and/or Coupon Commencement Date (as applicable) may be different. Details applicable to each Series or Tranche will be specified in the relevant Pricing Supplement. A Series may only be comprised of Bonds in registered form.
ISSUANCE IN TRANCHES:	The Bonds may be issued in Tranches, and Bonds in each Tranche may be identical in all respects except that the Issue Date, Maturity Date, the Issue Price or Coupon Commencement Date (as applicable) may be different. Details applicable to each Tranche will be specified in the relevant Pricing Supplement. A Tranche may only be comprised of Bonds in registered form.
COUPON RATES:	Bonds may be interest-bearing or non-interest bearing. Coupon (if any) may be at a fixed rate or floating rate and may vary during the lifetime of the relevant Series.
USE OF PROCEEDS:	The use of proceeds for each Series or Tranche shall be in compliance with applicable rules and regulations and specified in the relevant Pricing Supplement. The Issuer will receive the net proceeds of each issuance after the deduction of the costs of the issuance.
VARIABLE COUPON AMOUNT BONDS:	The Pricing Supplement issued in respect of each issue of Variable Coupon Amount Bonds will specify the basis for calculating the amounts of Coupon payable, which may be by reference to a variety of financial instruments, a currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement.
CURRENCIES:	Bonds will be denominated in Naira or such other currency or currency units as may be agreed among the Issuer and the Issuing Houses, subject to compliance with all applicable legal or regulatory requirements (including selling

restrictions and additional disclosure requirements) in each case as described in the relevant Pricing Supplement.

STATUS OF THE BONDS:

The Programme allows for the issuance of various types of Bonds including Senior Bonds or Subordinated Bonds.

The Senior Bonds are direct, unconditional, unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, and any Coupon thereon (as applicable) shall at all times rank at least equally with all other senior unsecured obligations of the Issuer, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment, amounts and terms of issue to be published by the Issuer from time to time by way of a Pricing Supplement.

The Subordinated Bonds will rank *pari passu* without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations. The Senior Bonds will rank in priority of payment to the Subordinated Bonds.

Fixed Rate Bonds will bear interest which will be payable in arrears on each Coupon Payment Date as may be specified in the applicable Pricing Supplement.

Floating Rate Bonds will bear interest at a rate on such basis as may be agreed between the Issuer and Issuing House(s) as is specified in the applicable Pricing Supplement, and will be calculated on such basis as may be specified in the applicable Pricing Supplement.

The Issuer may offer Bonds which provide for payments of principal or premium or interest which are linked to a currency, securities exchange or commodities exchange index or other index as stated in the applicable Pricing Supplement. Specific provisions regarding the manner in which such payments are to be calculated and made will be set forth in the applicable Pricing Supplement.

Zero Coupon Bonds may be issued at a discount to par and will not bear interest.

Terms applicable to high interest bonds, low interest bonds, step-up bonds, step-down bonds, dual currency bonds, and any other type of Bonds which the Issuer and the Issuing House(s) may agree to issue under the Programme, subject to compliance with all relevant laws, regulations and directives, as set out in the applicable Pricing Supplement.

CLOSING DATE: The closing date of a specific Series or Tranche shall be stated in the relevant Pricing Supplement relating to that Series.

RATINGS: The Bonds issued under this Programme will be rated by one, or more rating agencies at the instance of the Issuer. The rating report(s) will be set out in the relevant Pricing Supplement.

PROVISION OF DEBT SERVICE RESERVE ACCOUNT A Debt Service Reserve Account ("**DSRA**") may be created in respect of any Tranche or Series in accordance with the provisions of the applicable Series Trust Deed. The DSRA, where established, shall be managed by the Trustees.

EVENTS OF DEFAULT: The events of default under the Bonds are as specified in the Programme Trust Deed and as modified in respect of any Series or Tranche by the applicable Series Trust Deed. The Trustees shall notify the SEC upon the occurrence of such event(s) of default as required by the SEC Rules.

FORM OF THE BONDS: The Bonds will be issued in registered form and shall be transferable. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Holder being entered in the Register by the Registrar and the Bonds being electronically credited in the CSD accounts of the Holders. Unless otherwise specified in the final terms of any Series, the Bonds shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.

SUBSCRIPTION OF BONDS: The Bonds may be subscribed to in accordance with the form of application set out in the relevant Pricing Supplement relating to the Bonds being issued.

ISSUE PRICE: The Bonds may be issued at par or at a discount or premium to par. The Issue Price of a specific Series or Tranche shall be specified in the relevant Pricing Supplement of the relevant Series.

MATURITY OF BONDS: The Bonds may be issued with such maturities as may be agreed between the Issuer and the relevant Issuing Houses and as indicated in the relevant Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency.

DENOMINATIONS: Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Issuing Houses and as

	specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements, and in accordance with usual market practice.
TENOR:	The tenor of a particular Series or Tranche of Bonds shall be determined by the Issuer and the relevant Issuing Houses and specified accordingly in the relevant Pricing Supplement for the Bonds being issued.
EARLY REDEMPTION:	Early redemption will be permitted only to the extent specified in the relevant Series Trust Deed and relevant Pricing Supplement, and subject to any applicable legal or regulatory limitations.
REDEMPTION:	Bonds may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.
REDEMPTION AMOUNT:	The relevant Pricing Supplement will specify the redemption amount or if applicable, the basis for calculating the redemption amount payable.
INTEREST AND PRINCIPAL PAYMENT:	The Issuer will pay interest (save in the case of Zero Coupon Bonds) and principal on each Series to applicable Bondholders of record on the dates stated in the applicable Pricing Supplement.
REPAYMENT:	Repayment terms in respect of the Bonds issued under the Programme shall be specified in the relevant Pricing Supplement for the Series or Tranche being issued.
DAY COUNT CONVENTION:	Different day count conventions may be stipulated in the relevant Pricing Supplement.
FREQUENCY:	The frequency of payment of Coupon or any other monies due on the Bonds shall be specified in the relevant Pricing Supplement for the Bonds being issued.
TAXATION:	Under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004, as amended by the Finance Act 2019, Finance Act 2020 and Finance Act 2021 (the "**CGT Act**"), capital gains tax is chargeable on the disposal of corporate bonds or other debt instruments which are not Nigerian Government securities (i.e. Federal, State and Local Government bonds). Under current legislation in Nigeria an investment in Bonds to be issued under the Programme are exempted from a number of taxes. These include exemptions from VAT and PIT, by virtue of the Value Added Tax Act, Chapter V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No.12 2007, the Finance Act 2019, Finance Act 2020, and Finance Act 2021) and Personal Income Tax (Amendment) Act 2011 (as amended by the Finance Act 2019, Finance Act 2020, and Finance Act 2021) respectively. *See "Tax Considerations" on page 209.*

BONDS TRADING & LIQUIDITY:	Bonds may trade OTC or on any other recognised trading platform between banks and qualified market counterparties. Dealers will, subject to the rules of the applicable trading platform, be obliged to quote two-way prices for the Bonds.
GOVERNING LAW:	The Bonds and all related contractual rights, obligations and documentation will be governed by, and construed in accordance with Nigerian law.
UNDERWRITING:	The Bonds may be partially or fully underwritten on a standby or firm basis as specified in the relevant Pricing Supplement.
TRANSACTION DOCUMENTS:	Shelf Prospectus Programme Trust Deed Each Pricing Supplement or Supplementary Prospectus Each Series Trust Deed Vending Agreement (per Series) Deed of Undertaking Underwriting Agreement (where applicable) and any other agreement executed in connection with any Series or Tranche of Bonds issued pursuant to this Shelf Prospectus.
STATEMENT OF INDEBTEDNESS:	Details of all indebtedness of the Issuer and Sponsor at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement relating to the relevant Series or Tranche.
TERMS AND CONDITIONS:	The terms and conditions applicable to each type of Bonds or Series or Tranche of Bonds (the "Terms and Conditions") will be agreed between the Issuer and the relevant Issuing Houses or other purchaser at or prior to the time of issuance of such Series, and will be specified in the relevant Pricing Supplement. The terms and conditions applicable to each Series or Tranche will therefore be those set out on pages 31 to 44 hereof as supplemented, modified or replaced by the relevant Pricing Supplement.
OTHER CONDITIONS:	Such other terms and conditions as may be incorporated by reference into, modified by, or supplemented by the relevant Pricing Supplement.

12.3 TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions which, (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement (the "**Final Terms**"), and, save for the italicised text) will be incorporated by reference into the Bonds and deemed to govern the Bonds issued under the Programme.*

Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

*The provisions of the terms and conditions set out below (the **"Conditions"**) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

*The Bonds are constituted by a Programme Trust Deed (the "**Programme Trust Deed**") dated 19 July 2022 between Dangote Industries Funding PLC (as **Issuer**); Dangote Industries Limited (as **Sponsor**); Dangote Oil Refining Company Limited and Dangote Fertiliser Limited (together the "**Co-obligors"**) ARM Trustees Limited, Quantum Zenith Trustees & Investments Limited, Coronation Trustees Limited and FBNQuest Trustees Limited (together the "**Trustees**" which expression shall include all Persons for the time being acting as trustee(s) under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series of Bonds.*

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed, the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the Trustees at No. 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos; Plot 2, Ajose Adeogun Street, Victoria Island, Lagos, 10 Keffi Street, Ikoyi, Lagos, and Coronation House, No 10, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos and at the specified offices of the Registrar, Coronation Registrars Limited at Plot 009, Amodu Ojikutu Street, Victoria Island Extension, Lagos.

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

1. **Form, Denomination, Title and Series**

1.1 **Form of Bonds:** Unless otherwise specified in any Final Terms**,** the Bonds shall be issued in registered form. The Bonds are sponsored and supported by the full faith and credit of the Co-obligors. Bonds issued under the Programme may be Senior Bonds or Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, reverse Floating Rate Bonds, Zero Coupon Bonds or a combination thereof. The Bonds shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the Depositary.

1.2 **Issue of the Bonds**. Issue of the Bonds will be effected and evidenced by the particulars of the Bond being entered in the Register of Bondholders of the applicable Series which the Issuer will procure to be kept by the Registrar, and the Bonds being electronically registered in the Securities Account of the

Bondholder.

1.3 **Description:** The Bonds will be denominated in Naira (but may also be denominated in such other currency specified in the relevant Final Terms), with provision for Coupon to be paid (if any) at intervals specified in the Final Terms. Bonds may be issued from time to time, in accordance with the Shelf Prospectus and the Final Terms. Unless otherwise specified in the relevant Final Terms, the Bonds are redeemable at face value on maturity.

1.4 **Denominations:** Bonds will be issued in such denominations as may be agreed between the Sponsor and the Issuing Houses and as specified in the relevant Final Terms, subject to compliance with all applicable legal and regulatory requirements.

1.5 **Title:**

(a) Title to Bonds which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by the Depositary.

(b) The Issuer, the Trustees and the Registrar may deem and treat the person listed on the Register as the absolute owner of the Bonds listed against his name, free from any equity, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of such Bonds. All payments made to the holder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Bonds.

1.6 **Series:** Bonds may be issued in Series. A Series of Bonds may be listed on a Recognised Stock Exchange, subject to any Applicable Law. The Tranches in each Series will be subject to identical terms, except that the Issue Date, maturity date, the amount of the first payment of interest and/or the issue price thereof may be different. Each Series may comprise one or more Tranches) issued on different Issue Dates. A Series may only be comprised of Bonds in registered form. The applicable Series number shall be recorded in the Register, and stated on the relevant Bond Certificate (if any). The Register and/or the applicable Final Terms shall be conclusive as to the series of a Bond.

2. **Registration and Transfer of Bonds**

2.1 **Register:** A Register of the Bonds shall be kept by the Registrar at its office, a copy thereof shall be made available for inspection at the registered office of the Issuer, and there shall be entered in such Register:

(a) The names and addresses of the holders for the time being of the Bonds;

(b) The amount of the units of Bonds held by every registered holder;

(c) The Securities Account number of the Bondholder;

(d) The date at which the names of every registered holder is entered in respect of the Bond standing in his name;

(e) All transfers and redemption of the Bonds;

(f) The serial number of each Bond Certificate (if any) and date of issue thereof; and

(g) Such other information, considered necessary by the Registrar.

The entries in the Register shall in the absence of manifest error, be conclusive evidence of the facts, matters and transactions contained therein.

2.2 **Transfers:**

(a) Transfer of dematerialised Bonds shall be by way of a book entry in Securities Accounts held by the transferor and transferee in the Depositary in accordance with the procedures of the Depositary or such alternative clearing system approved by the Issuer and the Trustees, and registration of the name of the transferee in the Bonds Register in respect of the Bonds then held by him. The transferor shall be deemed to be the holder of the Bonds until the transferee's name is entered in the Register in respect thereof.

(b) If the Bonds are listed, the Bonds shall be transferred on the Recognised Stock Exchange in accordance with the rules and regulations of the Recognised Stock Exchange.

2.3 **Change of address**: Any change of name or address on a part of the Bondholder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly. The Trustees and the Bondholders and any person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.

2.4 **Amount of transfer:** The Bonds are transferable in whole or in part in such denominations set out in the applicable Final Terms.

2.5 **Restriction on Transfer:** There are no restrictions on the transferability of the Bonds, unless otherwise provided in the applicable Final Terms.

2.6 **Transmission**: Any person becoming entitled to the Bonds in consequence of the death, bankruptcy, winding-up or dissolution of the holder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Registrar shall require, be regarded as the holder of such Bonds, or subject to the preceding Conditions as to transfer may transfer the same. The Issuer shall be at liberty to retain any amount payable upon any Bonds which any person is entitled to transfer under the preceding Condition until such person shall be registered or duly transfer the same as aforesaid.

2.7 **Record Date:** No Bondholder may require the transfer of a Bond to be registered during a period of 15 (fifteen) days immediately preceding each Payment Date during which the Register will be closed.

3. **Status of the Bonds**: The Bonds issued under the Programme are sponsored and supported by the Co-obligors. Additional status of the Bonds shall be set out in the applicable Final Terms. The status of the Bonds may be Senior Bonds or Subordinated Bonds, as indicated in the applicable Final Terms.

3.1 **Status of Senior Bonds**. The Senior Bonds shall constitute direct, unconditional, unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, principal and any Coupon thereon shall at all times rank at least equally with all other senior unsecured obligations of the Issuer, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment amounts and terms of issue as provided in the applicable Final Terms.

3.2 **Status of Subordinated Bonds**: The Subordinated Bonds will rank pari passu without any preference to one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations as may be provided in the applicable Final Terms.

4. **Negative Pledge.** So long as any of the senior and unsecured Bonds remain outstanding, neither the Issuer nor a Co-obligor shall create any security interest upon the whole or any part of its present or future undertaking, business or assets to secure any Financial Indebtedness unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity.

5. **Redemption, Purchase and Cancellation**

5.1 **Redemption at Maturity:** Unless previously redeemed, purchased or cancelled, a Series of Bonds may be fully redeemed at its Principal Amount on the Maturity Date specified in the applicable Final Terms.

5.2 **Redemption by Instalments:** Bonds may be partially redeemed in instalments on each Payment Date at the Instalment Amount specified in the applicable Final Terms whereupon the Principal Amount Outstanding of such Bond shall be reduced by the Instalment Amount on each Payment Date until fully redeemed at the Maturity Date.

5.3 **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Bonds may be redeemed at the option of the Issuer in whole on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than twenty (20) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

5.4 **Redemption for tax reasons:** If the Issuer satisfies the Trustees immediately before the giving of the notice referred to below that:

(a) it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax (including for the avoidance of doubt, the expiry of any applicable Tax Exemptions), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than twenty (20) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the relevant Optional Redemption Date at the Optional Redemption Amount plus accrued interest (if any) to such date, *provided that* no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Trustees a certificate signed by two directors of the Issuer stating that the requirement referred to in subparagraph (i) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

5.5 **Redemption at the option of Bondholders***:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Bond redeem such Bond on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 5.5, the holder of a Bond must, not less than thirty (30) nor more than sixty (60) days before the relevant Optional Redemption Date (Put), deposit with the Trustees or Registrar (i) such Bond(in the case of certificated Bond); or (ii) the Depositary's statement of stockholding in the case of dematerialised Bond; and a duly completed Put Option Notice in the form obtainable from the Registrar. The Trustees or Registrar with which a Bond or Depositary's Statement of stockholding is so deposited shall deliver a duly completed Put Option Receipt to the depositing Bondholder. No Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 5.5 may be withdrawn, *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), an Event of Default shall have occurred and be continuing in which event such Bondholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Bonds forthwith due and payable pursuant to Condition 12 (*Events of Default*) For so long as any outstanding Bond is held by the Trustees or Registrar in accordance with this Condition 5.5, the depositor of such Bond and not the Trustees or Registrar shall be deemed to be the holder of such Bond for all purposes.

5.6 **Purchase:** The Issuer may at any time and from time to time purchase at any price Bonds through the market or by tender (available to all Bondholders alike) but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

5.7 **Cancellation:** All the Bonds which are redeemed in accordance with the provisions of this Programme Trust Deed will be cancelled and may not be reissued or resold. For so long as the Bond is admitted to listing and/or trading on a Recognised Stock Exchange and the rules of such exchange so require, the Registrar shall promptly inform the Recognised Stock Exchange of the cancellation of any Bonds under this Condition 5.7 (Cancellation).

6. Interest and Calculation

6.1 **Accrual of Interest:** The Bonds (save for Zero Coupon Bonds) will bear interest from and including the Interest Commencement Date at the Coupon Rate payable in arrears on its Principal Amount Outstanding. Each Bond will cease to bear interest from and including the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in this Condition until the date on which all amounts due in respect of such Bonds have been paid and notice to that effect has been given to the Bondholders.

6.2 **Interest on Fixed Rate Bonds:**

(a) The Fixed Rate Bonds (being those Bonds that specify the interest is payable at a fixed rate) shall bear interest on the Principal Amount Outstanding at the rate of interest specified in the applicable Final Terms from (and including) the Interest Commencement Date specified in the applicable Final Terms to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year. The first payment of interest will be made on the Coupon Payment Date following the Interest Commencement Date (specified in the applicable Final Terms) and, if the first anniversary of that Interest Commencement Date is not a Coupon Payment Date, the first payment of interest shall be as specified in the applicable Final Terms.

(b) If the Maturity Date is not a Coupon Payment Date, interest from (and including) the preceding Coupon Payment Date (or the Interest Commencement Date specified in the applicable Final Terms, as the case may be) to (but excluding) the Maturity Date will amount to the final broken amount as specified in the applicable Final Terms. If interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of the actual number of days elapsed divided by 365 or such other method as described in the applicable Final Terms.

6.3 **Interest on Floating Rate Bonds**:

(a) The Floating Rate Bonds (being those Bonds that specify the interest is payable at a floating rate) shall bear interest on its Principal Amount on such basis as may be described in the applicable Final Terms by reference to a specified floating rate benchmark plus a margin, as described in the applicable Final Terms.

(b) The Floating Rate Bonds shall bear interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date (specified in the applicable Final Terms) at the rate equal to the Coupon Rate payable in arrears on the Coupon Payment Date(s) specified in the applicable Final Terms.

(c) The Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the applicable Final Terms.

6.4 **Index Linked Coupon Bonds:** The Coupon Rate applicable to any Series of Bonds may be specified as being linked to an index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be prescribed in the applicable Pricing Supplement, and the amount of interest payable in respect of such Bonds for any Coupon Period shall be the relevant Coupon specified in or determined in accordance with, the applicable Final Terms.

6.5 **Zero Coupon Bonds:**

(a) Zero Coupon Bonds will be issued at an issue price such that the yield to maturity is reflected in the difference between the discounted issue price and the Final Redemption Amount of such Zero-Coupon Bond as specified in the Final Terms and/or Series Trust Deed. Zero Coupon Bonds will not bear Coupon other than in the case of late payment.

(b) Where any Series of Bonds specified to be Zero Coupon Bonds is repayable prior to the Maturity Date or other date for redemption and is not paid when due, the amount due and payable prior to the Maturity Date shall be an amount equal to the sum of the applicable Redemption Amount and an amount calculated by applying the Coupon Rate for any overdue principal of such a Bond to the Principal Amount Outstanding and multiplying the product with the Day Count Fraction, or such other methods as described in the applicable Final Terms.

6.6 **Calculation of Interest:**

(a) The Coupon payable in respect of each Bond (save for Zero Coupon Bonds) for a Coupon Period shall be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms. The amount of interest payable in respect of any Bond for any period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount Outstanding of such Bond by the Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Naira.

(b) For the Purposes of Condition 6.6(a): **"Day Count Fraction"** means in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these conditions or the relevant Final Terms and:

(i) if "Actual/365" or "Actual/Actual" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365; and

(iii) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360.

(c) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day convention would otherwise fall on a day that is not a Business Day, then, if the Business Day convention specified is (a) the Floating Rate Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the following Business Day convention, such date shall be postponed to the next day that is a Business Day, (c) the modified following Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (d) the preceding Business Day convention, such date shall be brought forward to the immediately preceding Business Day.

7. **Payments**

7.1 Subject to Condition 11 *(Taxation),* any principal, interest or other moneys payable on or in respect of any Bonds may be paid by the Trustees through the Registrar by electronic payment transfer.

7.2 Payments will be made to the person shown in the Register at the close of business on the Record Date as defined in Condition 2.7. Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.

7.3 The Registrar shall give to the Bondholders not less than fifteen (15) days' notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

7.4 The Depositary rules and procedure will apply to exchange of the Depositary statement of stockholding in the case of payment of the relevant Redemption Amount in respect of dematerialized Bonds. Payments of the relevant Redemption Amount in case of certificated Bonds will be made only against presentation and surrender of the relevant Bond Certificates in accordance with the applicable Series Trust Deed. Whenever any part of the Bond is redeemed a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

7.5 The Bonds shall be deemed redeemed and the obligations of the Issuer discharged on payment to the Trustees, on behalf of the Bondholders, of the Principal Amount Outstanding on the Bonds to the Bondholders whose names appear on the Register on the Record Date. Payment by the Issuer to the Trustees shall be a legal discharge of the liability of the Issuer towards the Bondholders from all obligations in connection with the Bonds.

8. **Priority of Payments.** Subject to any alteration by the Issuer (and the consent of the Trustee), all moneys received by the Trustees in respect of the Bonds or amounts payable under the Programme Trust Deed or Series Trust Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Trustees on trust and shall be applied by the Trustees:

(A) in payment or satisfaction of such reasonable costs, charges, expenses and liabilities incurred by the Trustees in the performance of its obligations under this Programme Trust Deed (including remuneration of the Trustees);

(B) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of that Series or Tranche;

(C) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of other Series or Tranche; and

(D) to pay the balance (if any) to the Issuer and the Sponsor or such other person entitled to it.

If the Trustees hold any moneys in respect of Bonds which have become void, or in respect of which claims have become prescribed, the Trustees shall apply them in accordance with the order of payment set out above.

9. **Receipts for Money Paid**. If several persons are entered in the register as joint holders of any Bond, the receipt of any of such persons for any Coupon or principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

10. Freedom from Equities. The Bondholder will be recognised by the Issuer as entitled to the Bonds free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bonds.

11. **Taxation**. All payments of principal, interest and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. The relevant Series Trust Deed will indicate the tax consequences of investment in the relevant Series or Tranche of the

Bonds.

12. **Events of Default.** If any of the following events ("Events of Default") occurs and is continuing, the Trustees may at its discretion and shall, upon the request in writing of the registered holders of at least one-fifth of the nominal amount of the Bonds for the time being outstanding or upon being so directed by an Extraordinary Resolution by notice in writing to the Issuer declare the Bonds to have become immediately repayable**:**

a) **Payment Default**: The Issuer or the Co-obligors do not pay any amount in respect of the Bonds of the relevant Series or any of them within ten (10) Business Days of the due date for payment; or

b) **Breach of other Obligations**: The Issuer or the Co-obligors do not comply with their other obligations under this Programme Trust Deed or in respect of the Bonds of any Series and, if the non-compliance can be remedied, does not remedy the non-compliance within thirty (30) days after written notice requiring such default to be remedied has been delivered to the Issuer by a Bondholder; or

c) **Cross Default**: Any Indebtedness in excess of ₦45,000,000,000.00 (Forty-Five Billion Naira) (or its equivalent in any other currency) of the Issuer or any Co-obligor in respect of money borrowed or raised is not paid within ten (10) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later; or the Indebtedness of the Issuer or any Co-obligor of a value exceeding ₦45,000,000,000.00 (Forty- Five Billion Naira) (or its equivalent in any other currency) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such event shall be certified in writing by the Trustees to be in their opinion materially prejudicial to the interest of the Bondholders of the relevant Series.

d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or any Co-obligor and is not discharged or stayed within sixty (60) days thereof; or

e) **Insolvency**: An Insolvency Event occurs in respect of the Issuer or any Co-obligor; or

f) **Cessation of Business:** Save for the Sponsor, the Issuer or any Co-obligor ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Trustees (such consent not to be unreasonably withheld, conditioned or delayed) pursuant to Clause 12.26 of this Programme Trust Deed; or

g) **Change of Control:** If there is a Change of Control of the Issuer or any Co-obligors without notification to the Trustees; or

h) **Material Adverse Effect:** a Material Adverse Effect has occurred; or

i) **Obligations Unenforceable**: any of the Bonds, the Trust Deeds is or becomes wholly or partly void, voidable or unenforceable.

j) **Force Majeure:** the occurrence of a Force Majeure Event that affects the ability of the Issuer or any Co-Obligor to perform its respective obligations under this Deed which continues for a period of twelve (12) months; or

k) **Termination of the Deed of Undertaking**: the termination, for whatsoever reason, of the Deed of Undertaking.

PROVIDED that the Bonds shall not be declared immediately payable unless:

on the occurrence of any event specified in sub-clauses 12(a) 12(b), 12 (c), 12(d) and12(k), the Trustees shall have first served on the Issuer and/or Co-obligors, a preliminary notice requiring the Issuer and/or Co-obligor(s) to pay the principal or interest in arrears or to remove, discharge or pay out to the satisfaction of the Trustees such distress, execution or process or to perform and observe the covenant or provisions the breach whereof has been committed or threatened and the Issuer and/or Co-obligors shall have failed or neglected for a period of ten (10) Business Days to comply with such notice; and

in the case of any event specified in sub-clauses12(e), 12(h), 12(i) and 12(j), the Trustees shall have certified in writing to the Issuer that the Event of Default is, in its opinion, materially prejudicial to the interests of the Bondholders of the relevant Series.

13. **Enforcement**. Only the Trustees may enforce the provisions of this Programme Trust Deed. No Bondholder shall be entitled to proceed directly against the Co-obligors to enforce the performance of any of the provisions of this Programme Trust Deed unless where Bondholders holding 75% of the Principal Amount Outstanding of the Bonds have requested the Trustees in writing to exercise the powers granted and, the Trustees having become bound as aforesaid to take proceedings fails or refuses to proceed within twenty-one (21) days and such failure is continuing, in which event any such Bondholder may, on giving an indemnity satisfactory to the Trustees, in the name of the Trustees (but not otherwise), himself institute proceedings against the Co-obligors to enforce the performance of any of the provisions of this Programme Trust Deed to the same extent that the Trustees would have been entitled to do so in respect of the Bonds held by him.

14. **Meetings of Bondholders, Modification and Waiver of Breach**

14.1 **Convening Meetings of Bondholders:** The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in Schedule 3 to this Programme Trust Deed (*Provisions for Meetings of Bondholders*). Decisions taken at Bondholders' meetings may only be exercised by the Trustees in accordance with this Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties.

14.2 **Modifications and Waiver:** The Trustees may agree: (i) upon the giving of prior written notification by the Issuer to the Rating Agency which has assigned a credit rating to the relevant Series or any Bonds comprised therein; and (ii) without the consent of the Bondholders of any Series, to:

(a) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error; and

(b) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of the Trust Deed which, in the opinion of the Trustees, is not materially prejudicial to the interests of the Bondholders of that Series.

Provided that:

(i) the Issuer has notified the Rating Agency and the Rating Agency has confirmed that such modification will not affect the then current ratings of the Bonds; and

(ii) prior consent of the SEC has been given; or

(c) any modification to this Programme Trust Deed which is required or necessary bring this Programme Trust Deed in compliance with Applicable Law.

Any such modification shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable, but subject to the Securities & Exchange Commission being notified, and the Stock Exchange as soon as practicable thereafter.

15. **Replacement of Bond Certificates.** If any Bond Certificate issued pursuant to these Conditions be defaced, lost or destroyed, it may be replaced on payment of all stamp duty (if any) payable on a new Bond Certificate, and upon such terms as to evidence and indemnity as the Registrar may deem adequate and, in the case of defacement, on delivery of the old Bond Certificate to the Registrar. An entry as to the issue of the new Bond Certificate and indemnity (if any) shall be made in the Register.

16. **Rights Against Predecessors-in-Title.** Except as required by law the Issuer will recognise the registered holder of any Bonds as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bonds maybe subject, and the receipt by such registered holder, or in the case of joint registered holders the receipt by any of them, of the interest from time to time accruing due for any other moneys available in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to or in such Bonds interest or moneys. Notice of any trust express or constructive shall not be entered on the Register in respect of any Bonds.

17. **Prescription**

Claims against the Issuer and the Co-obligors for payment in respect of the Bonds shall be prescribed and become void unless made within six (6) years from the appropriate Relevant Date in respect of the Principal Amount and Coupon.

As used in these Terms and Conditions, "Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven (7) days after that on which notice is duly given to the Holders that such payment will be made.

18. **Further Issues.** Subject to Condition 4 (*Negative Pledge*), the Issuer may from time to time create and issue further Bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding Bonds of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other Bonds issued pursuant to this Condition and forming a single series with the Bonds.

19. **Notices**

19.1 Any notice or other document may be given to or served on any Bondholder either personally or by sending it by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for the giving of notice to him.

19.2 In the case of joint registered holders of any Bonds a notice given to the Bondholders whose name stands first in the Register in respect of such Bonds shall be sufficient notice to all the joint holders.

19.3 Any notice or other document duly served on or delivered to any Bondholder under these Conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

19.4 Any notice, or other communication may be given to the Trustees hereunder by sending the same through the post in a prepaid letter addressed to:

(a). If to **ARM TRUSTEES LIMITED**, to it at:

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos
Tel: 08035732578
For the Attention of: Michael Abiodun Thomas
Email: armtrustees-CT@arm.com.ng

(b). If to **QUANTUM ZENITH TRUSTEES & INVESTMENTS LIMITED**, to it at:

Plot 2, Ajose Adeogun Street
Victoria Island, Lagos
Tel: +234-1-278 3216
For the Attention of: Onyeche Emefiele
Email: onyeche.emefiele@quantumzenith.com.ng
project-trustees@quantumzenith.com.ng

(c). If to **FBNQUEST TRUSTEES LIMITED**, to it at:

16 Keffi Street,
Off Awolowo Road
South West Ikoyi,
Lagos.
Tel: +234-1-4622673
For the Attention of: Head of Corporate Trusts
Email: corporatetrust@fbnquest.com;
Babatunde.adewolu@fbnquest.com

(d). If to **CORONATION TRUSTEES LIMITED**, to it at:

10, Amodu Ojikutu Street
Victoria Island

Lagos State
Tel: +234 705 529 4460
For the Attention of: Ayomide Akinkuade
Email: Aakinkuade@coronationnt.com

19.5 Any notice, or other communication may be given to the Co-obligors by sending the same through the post in a prepaid letter addressed to:

(a) If to ***the Issuer and Co-obligors*** to it at:

Union Marble House
1 Alfred Rewane Road
Falomo, Ikoyi
Lagos, Nigeria.
Tel: +234 (0) 802 314 3057
For the Attention of: Tony Esene
Email: tony.esene@dangote.com

19.6 Any notice shall be deemed to have been served on the day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

(a) Any accidental error, omission or failure in giving or delivering or mailing such notice or the non-receipt of any such notice by a Bondholder shall not invalidate or otherwise prejudicially affect any act, action or proceeding.

Provided that in each case, any notice given to any Bondholder, the Trustees or the Co-obligors by way of publication in two Nigerian national dailies will suffice as sufficient notice.

20. Governing Law and Jurisdiction

20.1 **Governing Law:** The Bonds and all rights and obligations arising from or connected with the Bonds are governed by, and shall be construed in accordance with, Nigerian law.

20.2 **Jurisdiction:** The provisions of clause 25 (*Law and Jurisdiction*) of this Programme Trust Deed shall apply mutatis mutandis to these Conditions.

13. Macro-Economic Outlook

*The information stated herein accentuates the prospects of the Nigerian economy as well as its future economic activities across key sectors and industries. Information included under this section was sourced from publicly available records including websites of third party and international organisations as well as government agencies such as the NBS, the CBN, the Budget Office of the Federation, the Nigeria National Petroleum Commission ("**NNPC**"), the Nigerian Federal Ministry of Finance, the DMO, the World Bank, the African Development Bank ("**AfDB**") and the IMF amongst others. There is not necessarily any uniformity of views amongst such sources as to such information provided. The Issuer has accurately summarized such information and so far as the Issuer is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. In preparing this section, data and information reported herein has not been independently verified.*

13.1 Introduction

The Federal Republic of Nigeria is located in the West African sub-region of Africa, bordered by the Republic of Niger to the North, Republic of Chad to the North East, Republic of Cameroon to the East, Republic of Benin to the West and the Atlantic Ocean to the South, and occupies a land area of approximately 923,773km. Nigeria is comprised of 36 States and a Federal Capital Territory – Abuja – which is located in central Nigeria. The States and the Federal Capital Territory are grouped into six geopolitical zones with 774 constitutionally recognized Local Government Areas and Area Councils. Nigeria has 3 major ethnic groups (Yoruba, Igbo & Hausa), and more than 250 other ethnic groups, with English as its official language.

Nigeria has a population of approximately 212.4 million people as of 2021 according to the World Health Organization data on the number of COVID-19 vaccine doses administered in Nigeria. Nigeria is endowed with several minerals including gold, iron ore, coal and limestone, and had 36.91 billion barrels of proven crude oil reserves and 5.75 trillion cubic feet of proven natural gas as of 2020, according to Organization of the Petroleum Exporting Countries ("**OPEC**")'s Annual Statistical Bulletin 2021. According to OPEC, as at January 2022, the country was the largest oil producer in Africa and, according to IHS Markit, topped African exporters of liquefied natural gas ("**LNG**") in 2021. According to data from the BP Statistical Review of World Energy 2021, Nigeria possessed natural gas reserves of 193.3 trillion cubic feet as of 31 December 2020. Agriculture is also a major source of livelihood, employing roughly 35% of the labor force according to the World Bank.

13.2 Economy

Nigeria is a significant exporter of cocoa, rubber and cassava, in addition to other significant natural resources, however, the Nigerian economy has, for a long time, been highly dependent on the oil and gas sector. This makes the economy vulnerable to oil price fluctuations. In 2018, the Federal Government introduced reforms and initiatives to diversify the sources of its revenue and reduce reliance on the oil sector. This had a positive impact on the performance of the non-oil sector, which was the major driver of growth and contributed 91.22%, 91.86% and 92.76% in the years 2019, 2020 and 2021 respectively.

In nominal terms, Nigeria's GDP grew by 12.89% (year-on-year) from ₦127.74trillion in 2018 to ₦144.21trillion in 2019, and grew by 2.27% (year-on-year) in real terms. After this growth, Nigeria entered into a recession in 2020 with a decline in growth of 1.9% following the onset of the COVID-19 pandemic.

According to the NBS, in Q2 2020, Nigeria's GDP decreased by 6.10% (year-on-year) in real terms, ending the 3-year trend of low but positive real growth rates recorded since the 2017 recession. The decline was largely attributable to significantly lower levels of both domestic and international economic activity during the quarter, which resulted from nationwide shutdown efforts aimed at containing the COVID-19 pandemic. When compared with Q2 2019, which recorded a growth of 2.12%, the Q2 2020 growth rate indicates a drop of 8.22% points, and a fall of 7.97% points when compared to the first quarter of 2020 (1.87%). Due to the impact of the COVID-19 pandemic, and resultant decline in global oil prices, the Nigerian economy slumped into a recession with GDP declining by 3.62% in Q3 2020. However, the economy improved slightly with a growth rate of 0.1% in Q4 2020 and exited the recession in 2021 with recorded growths of 0.51% and 5.01% in Q12021 and Q2 2021 respectively. Nigeria's GDP grew by 5.01% (year-on-year) in real terms in the second quarter of 2021, marking three consecutive quarters of growth following the negative growth rates recorded in the second and third quarters of 2020. The Q2 2021 growth rate was higher than the -6.10% growth rate recorded in Q2 2020 and the 0.51% recorded in Q1 2021 year on year, indicating the return of business and economic activity near levels seen prior to the nationwide implementation of COVID-19 related restrictions. The steady recovery observed since the end of 2020, with the gradual return of commercial activity as well as local and international travel, accounted for the significant increase in growth performance relative to the second quarter of 2020 when nationwide restrictions took effect

In 2021, real GDP was ₦72.4 trillion, an increase of 3.40% compared to ₦70.0 trillion in 2020, showing a sustained positive growth for the fifth quarter since the recession witnessed in 2020. Real GDP growth was 0.51% in the first quarter of 2021, 5.01% in the second quarter of 2021, 4.03% in the third quarter of 2021 and 3.98% in the fourth quarter of 2021, compared to the same periods of 2020, indicating the return of business and economic activity close to levels seen prior to the implementation of COVID-19 related restrictions**.** Quarter-on-quarter, real GDP contracted by 13.93% in the first quarter of 2021, before growing by 0.79%, 11.07% and 9.63% in the first, second and third quarters of 2021, respectively, reflecting higher economic activity than each preceding quarter.

GDP by sector

The following table below provides information regarding Nigeria's GDP for the periods indicated:

	For the year ended 31 December			
	2018	**2019**	**2020**	**2021**
Real GDP (constant prices) (millions of ₦)..	69,810,022.6	71,387,826.7	70,014,371.85	72,393,673.44
Nominal GDP (current prices) (millions of ₦)....................................	127,736,827.8	144,210,492.1	152,324,070.59	173,527,662.34

Source: National Bureau of Statistics, Central Bank of Nigeria

The following table sets forth the contribution to real GDP and growth rate of the sectors of the Nigerian economy for the periods indicated (based on 2010 constant basic prices):

	For the year ended 31 December			
	2020		**2021**	
Economic Sector	**% of GDP**	**Growth rate (%)**	**% of GDP**	**Growth rate (%)**
Agriculture	26.21	2.17	25.88	(2.13)
Industries	21.36	(5.85)	20.56	(0.47)
Services...	52.44	(2.22)	53.56	5.61
Non-oil..	91.84	(1.25)	92.76	4.44
Oil	8.16	(8.89)	7.24	(8.30)

Source: National Bureau of Statistics

Non-oil

The non-oil sector grew by 4.44% in 2021, compared to 1.69% growth in 2020, largely driven by growth in the services and agriculture sectors. The non-oil sector accounted for 92.76% of real GDP in 2021, compared to 91.84% in 2020.

Oil

Oil sector real GDP contracted by 8.30% in 2021, a slight improvement compared to the 8.89% contraction in 2020. The sector accounted for 7.24% of real GDP in 2021, compared to 8.16% in 2020.

Agriculture

Real GDP in the agriculture sector continued to show stable growth, growing by 2.13% in 2021 and 2.17% in 2020. Growth in the agriculture section is largely driven by the crop production subsector, which grew by 2.27% in 2021 and 2.24% in 2020. The agriculture sector accounted for 25.88% of real GDP in 2021, slightly lower than the 26.21% contribution in 2020.

Services

The services sector remains the largest sector in Nigeria, accounting for 53.56% of real GDP in 2021 and 52.44% in 2020. The services sector showed real GDP growth of 5.61% in 2021, compared to a contraction of 2.22% in 2020. The growth in 2021 was driven in particular by the transportation and storage (16.25%), financial and insurance (10.07%), trade (8.62%) and information and communication (6.55%) subsectors.

Industries

The industries sector contracted by 0.47% in 2021 in terms of real GDP, showing increased activity compared to the 5.85% contraction in 2020. While the manufacturing subsector grew by 3.35%, the mining and quarrying sector contracted by 7.79%. The industries sector accounted for 20.56% of real GDP in 2021, slightly lower than the 21.36% contribution in 2020.

The non-oil sector is expected to be the main driver of the country's economy in the near future. The multiplier effects of such development include creation of jobs and reduction in the unemployment gap, promotion of service-based businesses and establishment of ancillary goods and services in the agricultural sector. Nigeria has made significant progress in socio-economic reforms over the last decade, but still faces key developmental challenges, particularly in infrastructure. The country needs to focus on meeting its infrastructural needs including power generation, transportation and social infrastructure to ensure stable, substantial, sustainable and inclusive economic growth.

13.3 FISCAL DEFICIT

Deficits exist where a government's expenditures exceed its revenues. The Fiscal Responsibility Act 2007 (as amended) provides that the federal budget deficit should not exceed 3% of estimated GDP or any sustainable percentage as may be determined by the National Assembly for each financial year. From a review of the 2022 budget, the budget deficit reflected therein was N6.25 trillion (3.39% of GDP).

President Muhammadu Buhari signed the 2022 Appropriation Bill into law on 31 December 2021, following the passage of same by the National Assembly of the Federal Republic of Nigeria ("**National Assembly**"). The said budget includes an aggregate revenue and planned expenditure of ₦10.740 trillion and ₦17.126 trillion, respectively. The budget reflects a fiscal deficit of ₦6.386 trillion. This is the second consecutive year that the national budget has been approved before the commencement of the fiscal year. This deficit will be financed majorly by new borrowings, privatization proceeds and drawdown on loans secured for specific projects. The increase in fiscal deficit has been attributed to security challenges and the need to accelerate Nigeria's post-recession growth.

President Muhammadu Buhari also signed the Appropriation (Amendment) Act 2021 on 31 December 2021, which amends the Appropriation Act 2021, thereby extending the duration with respect to the implementation of the capital aspect of the Appropriation Act 2021 from 31 December 2021 to 31 March 2022, resulting in same running concurrently with the 2022 Appropriation Act and enabling ministries, departments and agencies to execute outstanding capital projects. However on April 5, 2022, the duration of the Appropriation Act was further extended to 31 May 2022.

In a letter to the National Assembly dated 10 February 2022, President Muhammadu Buhari submitted an amendment to the 2022 Appropriation Act including requests for the following, subject to the approval of the National Assembly:

- to reinstate the ₦25.81 billion previously cut from the Power Sector Recovery Programme in order to meet the Federal Government's commitment under the financing plan agreed with the World Bank;
- to provide an additional provision of ₦2.557 trillion to fund the fuel subsidy following the suspension of the fuel subsidy removal; and
- to adjust the capital expenditure by an additional ₦106.16 billion and the recurrent expenditure by an additional ₦43.87 billion.

As at March 2, 2022, the bill to amend the 2022 Appropriation Act passed the second reading at the senate.

Under the 2021-2023 Medium Term Expenditure Framework and Fiscal Strategy Paper, the fiscal strategies for 2021-2023 include fiscal measures to improve government revenues and entrench a regime of prudence with emphasis on achieving value for money. The goal of fiscal interventions is to keep the economy active through carefully calibrated regulatory measures designed to boost domestic value-addition, de-risk the enterprise environment, attract external investment and sources of funding while managing existing debt obligations in the most fiscally sustainable manner. The Federal Government is seeking to intensify economic diversification to ensure growth in non-oil exports, reduce the import bill and improve economic competitiveness.

13.4 CAPITAL MARKETS

The Nigerian Capital Market ("**Market**") consists of debt and equity markets. Equities consist of shares and stocks of publicly-listed Nigerian companies as well as a few non-Nigerian companies. The debt market, on the other hand, consists of government and corporate bonds, supranational bonds, notes, debentures and their derivatives, Nigerian treasury bills and other debt securities and instruments. The Market is primarily regulated by the SEC while NGX[1], a registered company that offers listing, trading, licensing and similar services for both equities and debt acts as the largest securities exchange in Nigeria.

NGX, as a self-regulatory organisation, is empowered to make rules and regulations to guide its members and their conduct. In carrying out its rule making function, NGX seeks to promote just and equitable principles of trade, remove impediments to and improve the mechanism of a free and open market; and protect investors and the public interest. In addition to NGX, the FMDQ[2], also a self-regulatory organisation, has primary responsibility for the listing, trading and regulating the OTC markets—fixed income (money, repos, commercial papers, treasury bills, and bonds), currencies and derivatives. .

Another self-regulatory organisation in the Market is the National Association of Securities Dealers ("**NASD**"), a public company operating in the NASDAQ market in Nigeria, regulated by the SEC. The NASD promotes a trading network that eases secondary market trading of all securities of unquoted public companies primarily in Nigeria but with a focus on the West African region.

According to the NGX Stock Market Report (as at December 31, 2021), NGX All-Share Index and market capitalization appreciated at 5.89% or ₦1.24 trillion. NGX Oil and Gas Index was the best performing index with a return of 52.52% driven by recovery in the global oil prices and stronger performances from oil and gas companies. This was closely followed by NGX Growth Board Index which returned 28.0%. As of 31 December 2021, the year-to-date (YTD) returns on NGX stood at 6.07%. According to the FMDQ Fixed Income and Currencies (FIC) Markets analysis (as at December 2021), turnover in the FIC Markets was ₦20.54 trillion, representing a month-on-month increase of 29.89% from November 2021; and a year-on-year increase of 31.86% from the ₦15.57 trillion achieved in December 2020. Furthermore, the total foreign

[1] As part of the demutualization, The NSE transferred its securities exchange licence to Nigerian Exchange Limited whilst another entity, NGX Regulation Limited, performs those regulatory functions hitherto executed by The NSE. The NSE currently exists as the NGX Group a non-operating holding company with interests in Nigerian Exchange Limited and all the other subsidiaries previously owned by The NGX Group.
[2] A subsidiary of FMDQ Group Plc

exchange market turnover during the period stood at $16.37 billion or ₦6.84 trillion, representing a monthly increase of 58.96% or $6.07 billion from the $10.30 billion achieved in November 2021.

According to NGX, in 2021, the bonds listed thereon recorded a total market capitalisation growth by 12.81% from ₦17.50 trillion in 2020 to 19.74 trillion in 2021 driven majorly by FGN bond issuances. There was also a significant increase in the value of turnover in fixed income securities, and turnover increased grew from N1.37 billion in 2020 to N3.52 billion in 2021. This represented an increase of 158.19% in the value traded.

According to data from the NGX, as at 31 December 2021, the NGX had listed 14 subnational bonds with market capitalisation of ₦207.56 billion and 86 FGN bonds with market capitalisation of ₦18,818.56 billion. The corporate bond market is also seeing positive results, and this may be attributable to the need for inexpensive long-term debt capital by companies. As of 31 December 2021, the NGX had listed 46 corporate bonds with a market capitalisation of ₦718.30 billion whilst a total of 61 corporate bonds had been listed on the FMDQ Exchange with a market capitalisation of ₦660.98 billion. As of 31 December 2021, the total market capitalisation of bonds listed on the NGX reached ₦19.74 trillion, whilst the total market capitalisation of bonds listed on the FMDQ Exchange was ₦18.32 trillion.

13.5 INFLATION

The Consumer Price Index ("**CPI**"), issued by the NBS, measures the average change in prices, over a period of time, of goods and services consumed by persons for day-to day living. This index is used to calculate the inflation rate for any given period.

The CPI increased to 11.44% (year-on-year) in December 2018. This is 0.16% points higher than the rate recorded in November 2018 (11.28%). The CPI increased to 11.98% (year-on-year) in December 2019. This is 0.13% points higher than the rate recorded in November 2019 (11.85%). The CPI increased to 15.75% (year-on-year) in December 2020. This is 0.86% points higher than the rate recorded in November 2020 (14.89). The CPI increased to 15.63% (year-on-year) in December 2021. This is 0.13% points higher than the rate recorded in November 2021 (15.40%). The increase was attributed to both the food and core components, which rose to 17.37% and 13.87% in December 2021 from 17.21% and 13.85%in November, respectively. The CPI increased to 15.60% (year-on -year) in January 2022. This is 0.87% points lower than the rate recorded in January 2021 (16.47)%. On month-on-month basis, the headline index increased to 1.47% in January 2022, this is 0.34% points lower than the 1.82% recorded in December 2021.

The CPI reflects that the composite food index reduced to 17.37% in December 2021, compared to 19.56% in December 2020 while the "All items less farm produce" or Core inflation, which excludes the prices of volatile agricultural produce stood at 13.87% in December 2021, up by 2.50% when compared with 11.37% recorded in December 2020. The highest increases were recorded in prices of gas, liquid fuel, wine, actual and imputed rentals for housing, narcotics, tobacco, spirit, cleaning, repair and hire of clothing, garments, shoes and other footwear and clothing materials, other articles of clothing and clothing accessories, amongst others. However, in December 2021, Nigeria's inflation rate rose.

Another major factor is the predominance of imported (household and everyday) goods, including food. Due to the fact that most goods sold at the commercial market are imported, the prices of these goods are subject to and significantly affected by currency movements. In recent times, the Nigerian agricultural sector has witnessed substantial growth. In 2020, imports of goods and services declined significantly in the last three quarters of 2020 in real terms, imports however grew by 3.49% and 50.72% in the first and second quarters of 2021. Nonetheless, Nigeria continues to rely heavily on food imports and imported goods generally.

As at 28 February 2022, the year-on-year change for annual CPI fell to15.70%, lower than the rate recorded in February 2021 of 17.33%. The year-on-year change for food (non-core) inflation fell to 17.11% as at 28 February 2022. Headline inflation is expected to trend marginally upwards in the short-term before moderating towards the end of the first quarter of 2022. This is expected as food harvests progress towards the end of the first quarter of 2022 and improve food supply. In general, food inflation is expected to trend downwards in 2022.

13.6 FOREIGN RESERVES

As at December 30, 2021, Nigeria's foreign reserves stood at approximately US$40.53 billion, evidencing an increase of approximately 14.6% and 5.0% when compared with US$35.37 billion as at 31 December 2020, and US$38.59 billion as at 31 December 2019, respectively. Oil exports from Nigeria account for the bulk of its foreign currency earnings and Nigeria's external reserves derive primarily from proceeds and earnings from crude oil production and sale. The increase in reserves has been attributed to the proceeds from the Federal Government's 2021 multiple tranche Eurobond issuance, oil exports and additional special drawing rights allocation from the IMF.

13.7 PUBLIC DEBT

The Federal Government recently started focusing on developing a robust domestic debt market, with a target of 70:30 domestic debt to external debt ratio.

The table below sets forth certain information regarding Nigeria's total public debt (i.e., external and domestic debt owed directly by the Federal Government and external debt on-lent by the Federal Government to the States and Federal Capital Territory) as of the dates indicated:

	As of 31 December	As of 30 September
	2020	**2021**
	(U.S.$ millions)(1)	
Type		
External Debt	33,348.08	37,955.09
Domestic Debt	53,044.45	54,671.32
Total	**86,392.55**	**92,626.41**

(1) Conversion from Naira to U.S. dollar made using CBN official interbank exchange rate (as applicable) as of period end.
Source: Debt Management Office

It is the Federal Government's strategy to refinance domestic debt with external borrowing to reduce debt service cost and achieve a more sustainable debt portfolio mix. Domestic debt to external debt ratio was 61:39 in 2020 and 65:35 in 2019.

As of 30 September 2021, Nigeria's total public debt stood at US$92,626.41 million, comprising US$37,955.09 million of external debt and US$54,671.32 million of domestic debt. Nigeria's total external debt stock outstanding was US$ 33,348.08 million as of December 2020 compared to US$27,676.14million as of December 2019. The increase witnessed from 2019, was largely due to the Federal Government's shift towards external financing as part of its debt management strategy of rebalancing the public debt portfolio. Specifically, the growth of external debt was mainly on account of additional disbursements of multilateral and bilateral loans.

The current strategy with respect to the Nigerian domestic debt portfolio is to lengthen the debt maturity structure, to broaden and deepen the domestic bond market through the introduction of a variety of government securities, to use technology to aid the effective and efficient issuance and trading of domestic bonds and to improve the regulatory framework for effective operation of the bonds market. Accordingly, and in line with efforts to broaden the Federal Government's securities basket, the DMO issued a number of securities from January 2017 to March 2021 including the FGN Savings Bonds, the FGN Diaspora Bond (under the category of external debt), the FGN Sukuk programme (in the aggregate of approximately ₦362 billion), the FGN Green Bond and FGN Eurobond.

13.8 INTEREST RATES

At the CBN's Monetary Policy Committee (the "**Committee**") Meeting on 21st of March 2022, the Committee resolved to retain the Monetary Policy Rate ("**MPR**") at 11.5% whilst the Cash Reserve Ratio (CRR) was retained at 27.5%. The decisions of the Committee reflect the MPC's realisation of the fragility of the growth recovery and its sensitivity to emerging global and domestic uncertainties; believing that it will enable the continued permeation of current policy measures in supporting the recorded growth recovery and further boost production and productivity, which would ultimately rein-in inflation in the short to medium term.

13.9 OIL AND GAS SECTOR

The oil and gas sector is of major importance to Nigeria's economy primarily in relation to foreign exchange earnings and revenue generation for the Federal Government. However, the sector has experienced several challenges in 2021 – the most significant being the effect of the COVID-19 pandemic on crude oil demand and the sharp decline in crude oil prices. According to the NBS, the sector contributed 7.49% to total real GDP in Q3 2021, down from 8.73% and 9.77% in the corresponding periods of 2020 and 2019, respectively. The average daily oil production recorded in Q3 2021 stood at 1.57 million barrels per day ("**b/pd**"), which was 0.10mbpd lower than the average production recorded in the corresponding quarter of 2020 and 0.61mbpd lower than production volume recorded in Q2 2021. According to the NBS, the real growth for the sector was –10.73% (year-on-year) in Q3 2021, indicating an increase of 3.16% relative to the rate recorded in the corresponding quarter of 2020. Furthermore, real oil growth increased by 1.92% when compared with the growth recorded in Q2 2021 which was -12.65%. Quarter on quarter, however, the oil sector recorded a growth rate of 12.05% in Q3 2021.

Due to the decline in the price of oil at the international market, occasioned largely by the COVID-19 pandemic, the attendant lockdown of most countries and the decline in the world economies, crude oil export earnings remain substantially reduced. According to the CBN, in March 2021, the average price of Nigerian crude oil was US$65.62 per barrel.

In August 2021, President Muhammadu Buhari signed the Petroleum Industry Act 2021 ("**PIA**") into law, following its passage by the National Assembly in July 2021. The PIA seeks to provide legal, governance, regulatory and fiscal framework for the Nigerian Petroleum Industry and development of host communities. Following the passage of the PIA into law, the PIA has become the principal legislation governing the entire value chain of the Nigerian oil and gas industry. In order to ensure an effective implementation of the PIA, the President has approved a steering committee led by the Minister of State for Petroleum Resources, to oversee the process of implementation within a period of 12 months.

Amongst others, the PIA has overhauled the governance and regulatory institutions in the petroleum industry and has dimensioned the management and regulatory oversight over the entire value chain of the oil and gas industry. The main objectives of the new governance structure introduced by the PIA, as stated therein, include to: create efficient and effective governing institutions with clear and separate roles for the petroleum industry; establish a framework for the creation of a commercially oriented and profit-driven national petroleum company; promote transparency, good governance and accountability in the administration of the petroleum resources of Nigeria; foster a business environment conducive for petroleum operations; and deepen local content practice in the Nigerian oil and gas industry. The PIA also seeks to increase profit from petroleum sharing contracts to be spent on frontier exploration.

On 22 September 2021, NNPC was restructured into a commercial entity under the PIA, through the incorporation of Nigerian National Petroleum Company Limited ("**NNPC Limited**") by the Corporate Affairs Commission following assent by President Muhammadu Buhari. The new governance structure aims to create a framework for the creation of a commercially oriented and profit-driven national petroleum company. In November 2021, NNPC Limited signed a US$1.04 billion facility with African Export-Import Bank to finance the exploration of petroleum. Under the Forward Sale Agreement signed in relation to the facility, NNPC Limited will aim to deliver 35,000 b/pd. In January 2022, NNPC Limited secured a US$5 billion corporate finance commitment from the African Export-Import Bank to facilitate energy supply and transition and to support NNPC Limited's upstream business.

13.10 Foreign Exchange

In Nigeria, there exists (i) the interbank exchange rate which is determined by a two-way quote system of banks trading among themselves and the CBN; and (ii) the Bureaux De Change (**"BDC"**) exchange rate. The BDC exchange rate is the rate at which foreign exchange (**"FX"**) is sold to small scale users for personal purposes such as business and personal travel, medical service fees and overseas educational tuition payments. Authorised FX dealers are entitled to sell a maximum of US$30,000 per week to BDCs at the prevailing interbank rate.

In addition to the interbank exchange rate and the BDC exchange rate, the CBN has also created other exchange rate windows including the CBN FX Window Secondary Market for personal, business, travel and medical allowances; the Investors and Exporters Foreign Exchange Window ("**I&EFX Window**") and special window for small and medium scale enterprises and the Nigerian Autonomous Foreign Exchange Fixing ("**NAFEX**") quoted on the FMDQ. The NAFEX was introduced to serve as a benchmark for the investors and exporters FX window, while the Nigerian Interbank Foreign Exchange Rate (NIFEX) is used for interbank settlements. Other complementary efforts by the CBN to stabilize the foreign exchange market include the moderation of the MPR which it has maintained at 11.5% to curb inflation and FX speculation, as of the MPC meeting on 21st March 2022.

The NAFEX window has been reported to significantly improve the supply of FX and the flow of foreign currency liquidity into the banking system. This has essentially resulted in improved access to FX and reduction of liquidity pressures which were prevalent for much of 2016 and early 2017.

On 27 July 2021, the Central Bank, during its MPC meeting, announced that it will cease its weekly sale of foreign exchange to BDCs and will, instead only sell foreign exchange to commercial banks. The development would conserve foreign reserves, safeguard the value of the naira, as well as curtail the excessive sharp practices of the BDCs. In addition, the Bank suspended licencing of BDC operators in the country.

Furthermore, on 30 November 2020, the CBN amended the procedures for the receipt of diaspora remittances. In a bid to increase the foreign currency liquidity in Nigeria, the CBN announced in December 2020 that diaspora remittances into Nigeria must be received by beneficiaries in foreign currency. Beneficiaries of diaspora remittances through international money transfer operators ("**IMTOs**") can now receive funds through banks of their choice, and such remittances can be received through cash or directly into their domiciliary account. Further, effective 8 March 2021, the CBN introduced the "Naira 4 Dollar scheme" for diaspora remittances, which offers recipients of diaspora remittances through CBN's IMTOs to be paid ₦5 for every US$ received as remittance inflow.

On 14 May 2021, the CBN removed the previous exchange rate of ₦379//US$ from its portal while updating the portal to a newer version. On 25 May 2021, the updated platform confirmed that the CBN had adopted the NAFEX, which stood at ₦435/US$ as of the close of business on 31 December 2021. This development formalised the use of NAFEX as the official exchange rate of Nigeria. The CBN extended the "Naira 4 Dollar Scheme" which was first introduced on 5 March 2021 and was scheduled to end on 8 May 2021. These adjustments were made to further unify the rates at different segments of the market. However, there remain ongoing discrepancies with other rates available in the market.

As at April 22, 2022, the US$/₦ at the NAFEX window closed at 418.33.

13.11 Reforms And Economic Reform Initiatives

In light of the fall in crude oil prices and in a bid to diversify the Nigerian economy, the Federal Government has focused its objectives and introduced specific reforms towards creating an enabling environment for doing business. In this regard, the Federal Government, in July 2016, created the Presidential Enabling Business

Environment Council ("**PEBEC**") and charged it with the responsibility to spearhead the establishment of such necessary reforms while the Enabling Business Environment Secretariat ("**EBES**"), which was set up in October of the same year, is to implement the reform agenda of PEBEC.

This agenda centers on the removal of bottlenecks to doing business in Nigeria, moving the country twenty steps up on the World Bank Ease of Doing Business Index and steering the country to becoming a globally competitive economy and the business hub of Africa. In February 2020, PEBEC approved the 5th 60-Day National Action Plan on Ease of Doing Business in Nigeria which is an inter-ministerial, inter-governmental plan driven by EBES for implementation by various Ministries, Departments and Agencies of government. Some of the major reforms driven by the various stakeholders relate to:

- Automation of the land registration process in both Lagos and Kano States;

- Reducing the number of inspections in construction permitting through the implementation of joint inspections by related agencies in Lagos State; and

- Improving the overall time in customs clearance at respective ports by implementing full pre-arrival cargo clearance processes.

Other major initiatives which the FGN has undertaken include:

- The Vision 20:2020 plan established in May 2009, which was set to place Nigeria among the top 20 economies in 2020. However, as at December 30, 2020, the goal was not achieved;

- The establishment of the Medium-Term Expenditure Framework and Fiscal Strategy Paper ("**MTEF/FSP**") 2021 - 2023 issued by the Budget Office of the Federation, Ministry of Budget and National Planning. The MTEF/FSP highlights revenue projections, expenditure plans and fiscal targets over the medium term based on reliable and credible fiscal outlook from verifiable data;

- Fiscal measures in response to the COVID-19 pandemic, which includes the N500 Billion (Five Hundred Billion Naira) COVID-19 Crisis Intervention Fund to be deployed for upgrading health facilities; financing unique public works programmes; and funding other identified intervention programmes; as well as the Emergency Economic Stimulus Bill 2020; and

- The Nigeria Economic Sustainability Plan 2020.

THE NIGERIA ECONOMIC SUSTAINABILITY PLAN 2020

Following the health and economic emergencies occasioned by the COVID-19 pandemic, His Excellency, President Muhammadu Buhari established the Economic Sustainability Committee ("**ESC"**) on March 30, 2020. The major responsibilities of the ESC as set out in its Terms of Reference are to:

- Develop a clear Economic Sustainability Plan in response to challenges posed by the COVID-19 pandemic;

- Identify fiscal measures for enhancing distributable oil and gas revenue, increasing non-oil revenues and reducing non- essential spending, towards securing sufficient resources to fund the plan;

- Propose monetary policy measures in support of the Plan;

- Provide a Fiscal/Monetary Stimulus Package, including support to private businesses (with emphasis on strategic sectors most affected by the pandemic) and vulnerable segments of the population;

- Articulate specific measures to support the States and Federal Capital Territory;

- Propose a clear-cut strategy to keep existing jobs and create opportunities for new ones; and

- Identify measures that may require legislative support to deliver the Plan.

The Nigeria Economic Sustainability Plan (**NESP**), was approved by the Federal Executive Council (FEC) on June 24, 2020. The general objectives of the NESP are to stimulate the economy by preventing business collapse and ensuring liquidity; retain or create jobs using labour intensive methods in key areas like agriculture, facility maintenance, housing and direct labour interventions; undertake growth enhancing and job creating infrastructural investments in roads, bridges, solar power, and communications technologies, among others.

The NESP is based on three (3) pillars – Real Sector Measure, Fiscal and Monetary Measures and Implementation. The first pillar comprises a mix of project and policy approaches, which focus on the creation of jobs across the fields of agriculture and agro-processing, food security, housing construction, renewable energy, infrastructure, manufacturing and the digital economy. The aim is to safeguard existing micro, small and medium scale businesses while ramping up local productive capacity by encouraging opportunities for innovation across various sectors of the economy.

The second pillar – Fiscal and Monetary Measures – outlines steps that will be taken to maximise government revenue, optimise expenditure and enshrine a regime of prudence with an emphasis on achieving value for money. The overriding objective is to keep the economy active through carefully calibrated regulatory interventions designed to de-risk the environment for local production and enterprise, galvanise external sources of funding, rationalise existing debt obligations and boost investments in strategic sectors affected by the COVID-19 pandemic, while supporting the financial viability of state governments.

The last pillar upon which the success of the entire plan has been hinged is Implementation. The NESP emphasizes the need for all responsible parties, especially Ministers to be responsible for supervising the implementation of plans situated in their Ministry through a Ministerial Implementation Committee chaired by the Minister. The Ministerial Implementation Committee will be responsible for ensuring synergy between stakeholders, especially the public and private sector, whilst the ESC will be responsible for general oversight of implementation and will report to the President.

13.12 POWER SECTOR

The lack of steady and reliable power supply continues to fundamentally hamper the Nigerian economy and prevent sustainable economic development. These power cuts have an overall impact on the economy which translates to negative impacts on commercial activity, productivity and running costs of businesses as well as standard of living. This sector of the economy is also plagued by theft of transformers and sabotage of infrastructure by vandals which result in frequent power outages as well as poor voltage output.

In order to address the infrastructure gaps, the FGN, in July 2019, executed an Implementation Agreement for the Nigeria Electrification Roadmap with Siemens Limited for the rehabilitation, upgrade and expansion of transmission and distribution networks and power generation facilities. Thereafter, in March 2020, the FGN set up the Power Sector Reform Coordination Working Group, headed by the Vice President, Professor Yemi Osinbajo, SAN, to coordinate the activities of a National Economic Council committee on power sector reforms and distribution company ownership, and consolidate the efforts of the FGN and state governments in relation to the transformation of the Nigerian power sector.

The Nigerian Electricity Regulatory Commission ("**NERC**") has also taken various steps to address the technical and operational challenges in the sector. Such steps include the introduction of service-based cost-reflective tariffs. On March 31, 2020, NERC issued the NERC Order No: NERC/198/2020 – Order on the Transition to Cost Reflective Tariffs in the Nigerian Electricity Supply Industry (the "**Order**") to provide a framework for the transition to cost reflective tariffs within the electricity supply industry. The Order introduced new service expectations and new tariff classes determined by quality of service. Additionally, to bridge the metering gap in the country, the NERC in 2018 issued the Meter Asset Provider Regulations, which creates a new class of operators responsible for installing and maintaining meters. This initiative is now being complemented by the FGN through its National Mass Metering Program ("**NMMP**") launched in November 2020. Under the NMMP, the FGN is seeking to provide up to N497.13 billion to electricity distribution companies for the rollout of meters at no cost to electricity consumers. Under the first phase of the NMMP, circa 980,000 meters were installed across the country with initial deployment taking place in Kano, Kaduna, Lagos and Abuja. Up to four million meters are to be installed under the second phase of the NMMP, with deployment set to take place in the first quarter of 2022.

The electricity, gas, steam and air conditioning supply sector recorded a year-on-year growth of 43.14% in Q3 2021. The contribution of the sector to nominal GDP in Q3 2021 was 43.15%, higher than the contribution made in the corresponding quarter of 2020 at -0.01% and 71.16% lower than the growth rate of 114.30% recorded in the quarter before. In real terms, however, the sector grew by 14.36% in Q3 2021, an improvement from the growth rate of 3.66% recorded in the same quarter of 2020. The contribution of this sector to real GDP in Q3 2021 was 0.40%.

On December 13, 2021, the NERC published its Fourth Quarter Report for 2020 which highlights that there are 26 grid-connected generating power plants in operation in the Nigerian Electricity Supply Industry ("**NESI**"). According to the NERC, the NESI recorded a daily generation peak of 5,520.40MW for Q4 2020 while the available average generation capacity for the quarter fell by 2.79% to 6,164MW. Furthermore, up to 71.17% of the available capacity was utilised in Q4 2020, indicating 9.46% points increase from the capacity utilisation rate recorded in Q4 2020. Furthermore, the total electric energy generated in Q4 2020 rose to 9,628,203MWh from 8,265,418.46MWh recorded in Q3 2020. Additionally, the NERC noted that 9 of the 26 operational power plants accounted for 73.00% of the total electric energy generated during Q4 2020.

In relation to Nigeria's gas reserves, according to the now defunct DPR (having been replaced by the Nigerian Midstream and Downstream Petroleum Regulatory Authority and the Nigerian Upstream Regulatory Commission), as of January 1, 2021, the gas reserves stood at 206.53 trillion cubic feet (TCF), representing a marginal increase of 3.37tcf (1.66%) from the 203.16tcf recorded in 2020.

The DPR had also indicated that it has set targets of 210tcf by 2025 and 220tcf by 2030. However, insufficient gas supply is the biggest constraint to available generating capacity. The resulting effect is that the overall operating capacity is reduced by an average of 2,060 MW daily. Although the country has abundant reserves, its gas production is low. A notable initiative of the FGN in relation to addressing the gas-to-power challenge is the conceptualization and development of the Ajaokuta-Kaduna-Kano Pipeline Project with an estimated cost of approximately $2.8 billion, which entails the construction of a 614km pipeline that will create a link between the eastern, western, and northern regions of Nigeria for the purpose of establishing a guaranteed gas supply network across the country. The project is expected to boost Nigeria's electricity generation capacity and strengthen the industrial sector within all regions of the country. Furthermore, the FGN had launched a Nigerian Gas Transportation Network Code to provide open and competitive access to gas transportation infrastructure.

The FGN has expressed its commitment to growing domestic gas utilization to five (5) billion standard cubic feet by 2022, develop 5 gigawatts of power generation by 2022, and explore transition, partnership and investment in the gas sector.

The FGN has also made concerted efforts to invest in renewable energy across the country as the FGN through the Rural Electrification Agency ("**REA**") is presently supervising the implementation of the Energizing Economies Initiative, a policy initiative of the FGN through which it supports the deployment of off-grid electricity solutions to small and medium scale enterprises in identified economic clusters (such as markets and agricultural or industrial centres) across the country, through private sector developers. The REA is similarly implementing the FGN's Nigeria Electrification Project ("**NEP**"), which is co-financed by the FGN, World Bank Group and AfDB. The NEP seeks to provide electricity to households, small-to-medium-sized enterprises, and public institutions in a least-cost and timely manner through off-grid and mini-grid solutions.

13.13 OUTLOOK: NIGERIA

In recent years, the Nigerian economy has been severely affected by the fall in oil prices and oil production and this has resulted in significantly reduced fiscal revenue and export earnings. Security concerns across the country have also posed a threat to economic development. In recent months, the focus of the economy has been on reforms and initiatives in the non-oil sectors and the implementation of policies to ensure the ease of doing business. These reforms are expected to improve the economic performance of the country and also promote foreign investment.

The Federal Government has taken steps to address the effects of the economic downturn including by repealing the Companies and Allied Matters Act, Chapter C20 LFN 2004 and replacing same with the Companies and Allied Maters Act No. 3 of 2020 (as amended), in a bid to improve the investment climate in Nigeria. Also, the passage of the Finance Bill, 2019, 2020 and 2021 into law has witnessed changes to relevant tax statutes in Nigeria. Some of the significant changes include:

- Capital gains tax at 10% is chargeable on the disposal of shares worth N100m or above in any 12 consecutive months except to the extent that such proceed is reinvested in the shares of any Nigerian company;

- Increase of education tax to 2.5% of assessable profits;

- Increase of value added tax to 7.5%;

- Reclassification of companies to exempt small companies (with turnover of less than N25 million) from payment of companies' income tax;

- Minimum tax for companies in respect of returns for years of assessments due between 1st Jan 2020 and 31st Dec 2021 has been reduced from 0.5% to 0.25% of gross turnover less franked investment income;

- Imposition of excise duty at N10 per litre on non-alcoholic, carbonated and sweetened beverages;

- The moratorium for granting an exemption of tax for foreign and agricultural loans has been revised from "not less than 18 months" to "not less than 12 months"; and

- Tax concessions on assets transferred pursuant to related party business reorganization.

Other efforts include the deregulation of fuel prices, strengthening banking supervision as well as interventions in the foreign exchange market by the CBN to meet the foreign exchange demand by relevant end-users.

14. INDUSTRY OVERVIEW

14.1 CEMENT INDUSTRY

Dangote Cement PLC (“**DCP**”) is Sub-Saharan Africa’s leading producer with a production capacity of circa 51.6 million tonnes per annum (“Mta”) operating in ten countries spread across the continent. DCP is the capacity leader in five of those countries, notably its home market Nigeria, where it has 35.25Mta, representing an estimated 65% of total industry capacity, as of December 31, 2021.

Cement is made by heating limestone with other raw materials, such as laterite and shale, to form an intermediate product, clinker. It is then ground finely with gypsum and additives or ‘extenders’ such as limestone, volcanic rock and fly ash to make cement.

Cement can be regarded as a form of glue that binds together other materials such as sand and aggregates, which are mixed with water to form concrete. Although cement is regarded as a homogenized product, it comes in different types and strength classes suitable for different applications. In commercial use, three main strength classes are defined according to the strength they achieve under standard conditions at 28 days. The three strength classes are 32.5, 42.5 and 52.5, which equate to Mega Pascals or Newtons per square millimeter.

The 42.5 and 52.5-strength classes of cement have more clinker and less of the extenders, making them suitable for load-bearing structures, such as large buildings and bridges. The 32.5 strength class has less clinker and more extenders, making it suitable for application in low-rise buildings and mortar. In a retail setting, the strength class will be clearly identified on a bag of cement, as illustrated in the image below.

Cement is delivered in three ways, according to the needs of the customer and the amount being sold: in standard 50kg bags, in jumbo bags of 1.0 tonne and in bulk carriers that may contain more than 30 tonnes of cement.

Although different forms of cement have existed since Greek and Roman times, the invention of Portland cement in 1824 created the product that is ubiquitous today. Given cement’s characteristics of high strength at low cost, no viable substitute has since been developed for use in construction. It is impossible to create large modern buildings without copious use of cement in producing the concrete.

14.1.1 GLOBAL CEMENT CONSUMPTION

The ubiquity and necessity of cement is reflected in its consumption around the world, with an estimate of over 4 billion tons consumed annually according to the International Finance Corporation: The Impact of COVID-19 on the cement Industry, 2020. The cement sector has a large economic impact due to its long and diverse supply chain and it contributes 5.4% of global gross domestic product ("**GDP**") and 7.7% of world employment. Despite the impact of Covid-19 on global economy, recovery in global cement consumption post-Covid-19 has been impressive at a growth rate of 13% year on year

According to GCR 13, the compound annual growth rate (CAGR) over the 2013-2018 period was 0.33%, with demand levels back to 2013 figures. The fall is largely attributable to lower consumption in China, Russia, Europe and parts of Latin America. China had been a major driver to the robust growth witnessed in the global cement industry, hence the industry was affected by the decline in China's economic activity. In Western Europe, the recessionary environment continued to undermine construction activity and Russian demand declined amidst geopolitical instability and oil price crisis. Notwithstanding the foregoing, the global cement consumption volume remained over 4 billion ton as at 2021, growing at an annual rate of 2.96% for the period spanning from 2018-2021. Factors such as increasing construction activities, rising urbanization and higher disposable income are likely to drive the growth of the market.

On a per-capita basis, global average consumption was 521kg in 2021. Per-capita consumption of cement is an indicator of national development.

Sub-Saharan Africa (SSA) is experiencing the welcomed economic recovery on the back of the COVID-19 pandemic and commodity market decline in 2020. According to the IMF, SSA grew by 4.0% in 2021. The growth largely results from a sharp improvement in global trade and commodity prices. Our countries of operation are estimated to all grow in 2022, with Sierra Leone, Ghana and Senegal expected to grow at the highest rates. According to the IMF, faster vaccine deployment would accelerate the region's growth. DCP have continued its vaccination advocacy and roll-out across all countries of operations.

Higher than average per-capita consumption is typical of countries experiencing strong growth and which are building out their infrastructure. Low per-capita consumption indicates the country has yet to begin its build-out of infrastructure and housing. Consumption levels of less than 100kg per person are typical of countries in Sub-Saharan Africa, with Burundi being the lowest worldwide at just 13kg. The low per capita consumption in the SSA region reflects the huge potential of the region in the future but also evince the low level of infrastructure development in the region at present.

14.1.2 GLOBAL CEMENT MANUFACTURING AND CONSUMPTION

Globally, more than 1,000 cement producers operate over 2,300 integrated cement plants and over 600 grinding stations. Five countries account for nearly three-quarters of the world's cement production, with China taking the lead (57% share). Majority of plants are privately owned and operated, and while the top 10 players account for about 45 percent of global capacity, the industry overall is quite fragmented.

Table: Global Cement Consumption per Region 2010-2021

	2010 *Mt*	**2011** *Mt*	**2012** *Mt*	**2013** *Mt*	**2014** *Mt*	**2015** *Mt*	**2016** *Mt*	**2017** *Mt*	**2018** *Mt*	**2019** *%*	**2020**	**2021**
Asia	**2390.1**	**2620.74**	**2762.88**	**3023.57**	**3120.984**	**3019.649**	**3098.342**	**3074.35**	**3115.88**	**2920.65**	**3004.381**	**3004.381**
Africa	170.95	171.86	187.19	198.21	210.38	216.114	225.892	242.9	227.025	225.6762	213.2876	219.549
West Africa....	31.61	34.64	36.31	40.61	42.44	44.912	47.537	50.55	47.4	51.4195	53.57965	54.177
Middle East ...	167.09	176.73	180.57	185.423	180.51	179.78	179.61	179.31	168.08	162.9666	156.621	161.739
Europe	331.11	351.43	337.01	341.6563	344.483	339.8476	336.4371	343.87	369.15	341.425	331.021	337.473
America.	239.37	251.4	266.15	274.5456	284.8032	286.7556	278.445	280.7164	281.7794	284.642	271.413	274.966

Source: CemNet

Clearly, Africa cement market remains under-penetrated, with infrastructure and housing deficits (45 million houses) presenting medium-to-long term growth opportunities. Rising urbanization levels are also driving the increased need for real estate investment by governments and private investors.

There is a material infrastructure deficit on the continent which is estimated to require a spend of US$130–170 billion[3] per annum to close the gap. Of this amount, it is estimated that about US$35–47 billion per annum is required to meet the need for cement-intensive infrastructure projects such as roads and means of transportation. This suggests a growth story and presents an attractive investment case for cement producers.

With about 51.6 Mta of production as at 2021, including grinding and import capacity, Dangote Cement is amongst the top-10 international manufacturers of Cement by capacity, less than a decade after it first began operations.

14.1.3 THE CEMENT MARKET IN SUB-SAHARAN AFRICA

Sub-Saharan Africa is home to almost 1.1 billion people and has a population growth of approximately 2.7% per year. The United Nations estimates that by 2050, the region will have a population of more than 2.1 billion. Furthermore, Sub-Saharan Africa is experiencing greater stability, less conflict and economic growth above global averages.

Despite the recent slowing of its economies, Sub-Saharan Africa will need considerable investment in infrastructure and housing, as urbanization increases and economies diversify from dependence on agriculture, minerals and oil towards manufacturing, retail and services. Increasing personal wealth and the ongoing shift towards younger, more affluent and more mobile populations, will also increase demand for property. The combination of these drivers will see Sub-Saharan Africa’s demand for cement increase significantly in the coming years.

According to GCR 13, the highest growth rates were recorded in sub-Saharan Africa at 5-6%, although the combined region represents just 101Mt of cement consumption – equal to the entire United States of America. On a per capita basis, sub-Saharan African countries have some of the lowest consumption levels worldwide. As a region, per capita cement consumption is just 91kg, compared to the global average of 521kg; indicating both the huge potential from the region in the future and the low level of development at present.

The region’s key markets are Nigeria, South Africa, Ethiopia, Kenya, Tanzania and Ghana. Dangote Cement is present in six of the top-10 cement markets in Sub-Saharan Africa. On a per-capita basis, cement consumption in all countries are significantly below the global average (excluding China) of 286kg and therefore have strong potential for growth, particularly given the infrastructure and housing deficit across the region.

Moreso, Africa’s per capita consumption quickly rose from 40kg to 112kg in recent years. With a billion people in Sub-Saharan Africa and an age demographic weighted towards youth, cement producers have been attracted to the region, which has great need for infrastructure and housing.

Cement demand is expected to grow strongly in Sub-Saharan Africa for the following reasons:

- The population is predicted to grow to 2.1 billion people by 2050, according to the UN Population Division, which indicates total market growth even if per-capita consumption remained the same. However, we expect that the per-capita consumption will increase.

- Increasing prosperity, coupled with improved access to banking and finance, will drive the building of houses and infrastructure.

- Urbanisation rates are expected to increase such that Sub-Saharan Africa’s urbanized population will grow from 360 million in 2015 to 523 million in 2025 and more than 1,100 million by 2050, according to the UN Population Division.

- Sub-Saharan Africa has a low proportion of paved roads and transport infrastructure in general is poor. However, governments are committed to improvements in roads, railways, ports and airports.

[3] African Development Bank, African Economic Outlook (2018)

- Governments will increasingly be able to raise external finance for infrastructure projects, particularly those that support mineral extraction, housing and trade.

- Economies benefit from the multiplier effects that infrastructure projects have upon GDP, which then feeds back into increased demand for cement, for example in the creation of logistics hubs on new roads.

On the supply side, it is expected that major players will continue to increase capacity and replace ageing and inefficient capacity, as population growth, increasing urbanization, infrastructure drive and rising GDP continues to drive consumption upwards.

The current drive for import substitution by key African economies is also expected to lead to an increase in overall capacity, thus significantly reducing imports in the region and contributing to the overall growth of the African cement industry. Due to insufficient domestic capacity or lack of limestone, the essential raw material, many countries in Sub-Saharan Africa rely on imports to meet demand. This is particularly true of coastal countries in West Africa, which lack sufficient native limestone for viable manufacturing and are therefore dependent on imports. Dangote Cement is the leading manufacturer in Sub-Saharan Africa, with nearly 51.6Mta of capacity across ten countries. LafargeHolcim, through its Lafarge Africa subsidiary and other operations, has 23.3Mta across 13 countries, according to the company's website (www.lafargeholcim.com). HeildelbergCement has 18 production facilities in 11 countries in sub-Saharan Africa (www.heidelbergcement.com/en/sub-saharan-africa). South African manufacturer PPC has 11.4Mta in six countries, with 7Mta in South Africa.

While COVID-19 has had an impact in Africa, it has been less severe than in many other parts of the world. Despite the pandemic, it appears that the cement and construction sectors have continued to operate with limited restrictions in most African countries. However, demand growth has been softened and the outlook for the region is very challenging. The Pan-African operations of Dangote Cement increased following the relaxation of COVID-19 restriction measures and sales volumes increased at the end of Q3 2020 by 3.7% year-on-year, despite the lockdowns and restrictions earlier in Q2 2020.

14.1.4 Nigerian Market

Nigeria is the largest market for cement in Sub-Saharan Africa and a highly attractive production centre, having significant limestone deposit close to demand centres and good economic prospects that will enable its population of closely two hundred million people to increase their consumption of cement in the coming decades. Nigeria consumed approximately 26 Mta in 2020This is estimated to be 13.1% higher than the previous year's volumes, given the major decline that occurred in 2017. Further, Nigeria was historically a major importer of cement until key industry players, notably Dangote Cement, increased installed capacity in 2012.

2017 marked the last year of imports, given the reputation Nigeria has for being one of the best world export markets for the international cement industry. In 2018, Nigeria recorded exports of 0.97Mta, an improvement from the 0.3Mta recorded in 2016. Dangote has also recorded a major increase in exports with the recently opened marine export facilities in Lagos and Port Harcourt. As at December 21, 2020 Dangote had exported 149KT of cement by road and shipped 197KT of clinkers to West and Central Africa from the Lagos terminal with the maiden export occurring at the end of June 2020. In late 2019, Nigeria closed its land borders over concerns about illegal exports of price-controlled gasoline and illegal imports of food stocks such as rice and poultry and to boost local production. The Federal Government reopened the country's land borders in December 2020.

President Muhammadu Buhari on March 23, 2022 during his visit to the recently commissioned Dangote fertiliser plant in Ibeju Lekki, Lagos, noted that the Group's investment in cement production ended Nigeria's dependence on importation of cement.

14.1.5 CEMENT MANUFACTURING IN NIGERIA

Nigeria has experienced significant growth in its installed capacity over the past two decades, transforming the industry from an importer to a net exporter. Prior to 1981, Nigeria had only eight cement plants with total capacity of 3.7Mta. Between 1981 and 2000, no new cement plants were commissioned.

In 2002, the government introduced the Backward Integration Policy ("**BIP**"), a protective policy that banned the importation of bulk cement, following the ban on bagged cement in 2001.The introduction of BIP, led to the construction of more cement plants, as producers acquired and expanded previous government owned plants, as well as new greenfield cement plants.

Between 2002 and 2019, installed capacity grew from a base of 3.67Mta to 48.7Mta across ten cement plants. As at 2020, the total installed capacity stands at approximately 50.9Mta. This growth was driven primarily by Dangote Cement and Lafarge Africa whose capacity stood at 32.3Mta (64% of total capacity) and 10.5Mta (21% of total capacity) respectively within the stated period. The total installed capacity of Dangote Cement increased to 35.3Mta as of December 2021.

With the Group's 35.3Mta of production capacity in 2021, the Group had a capacity utilisation of about 52.9%. It is estimated that that capacity utilization will increase to 55% by the end of 2022. Nigeria's cement industry is largely oligopolistic in nature, with three companies controlling more than 98% of the market. According to GCR 13, the largest player in the market is Dangote Cement, accounting for 64% of installed capacity. Lafarge Africa accounts for 21% of installed capacity, while BUA accounts for 19% of installed capacity.

In terms of planned expansion projects and new integrated plants, Dangote Cement in 2020 expanded the Obajana plant by 3Mta (subsequent to the expansion by a further 3Mta in late 2014); and established a new plant at Okpella, Edo state with 3Mta capacity which was commissioned in 2021. Other cement manufacturers have also announced new projects and planned expansions that are expected to increase capacity in Nigeria.

14.1.6 MARKET ATTRACTIVENESS

Nigeria is an attractive place to manufacture cement for the following reasons:

- It has a large and growing population and urbanisation is increasing (at 51.96% as at December 2020), thus driving the need for housing and higher-rise buildings.
- Prosperity is increasing, as is access to financing for housing and infrastructure.
- Per-capita consumption is low, at about 97kg, with strong potential to increase (just c.19% of global average per-capita consumption).
- Nigeria has abundant limestone resources close to major demand centres.
- It has gas and/or coal near to sites of cement production, which is a fuel-intensive process.
- The BIP stimulated the cement industry by providing five-year tax holidays for new cement production lines, exemptions from VAT and import taxes on equipment. However, the eligibility of the cement industry for these incentives under the Pioneer Status Incentive (PSI) scheme ceased in August 2020.
- The Federal Government has indicated a strong commitment to capital expenditure and infrastructure in its 2022 Budget and the NESP, which was approved in June 2020, to serve as a transition from the Economic Recovery & Growth Plan and the successor plan currently in development, as well as provide a plan for economic recovery post the COVID-19 pandemic.
- Nigeria has a shortage of approximately 17 million homes, according to the 2016 International Bank for Reconstruction and Development/World Bank report, with cement being a key ingredient of blocks used to make them (the clay brick industry is not well developed in Nigeria).
- Importation of bulk cement is banned as part of the BIP.

- Limestone is largely absent from neighboring countries such as Ghana, Cameroon and many countries in the Economic Community of West African States ("**ECOWAS**"), making them obligatory importers of cement or clinker.

- Exports to neighbouring countries are free of duties within the ECOWAS and profits from exports, in accordance with the CITA, are exempted from tax within Nigeria. In addition, exporters receive Export Expansion Grants ranging between 5% to 15% of the annual export value.

14.1.7 ABUNDANT RAW MATERIALS

Nigeria has most of the raw materials required for cement production in commercial quantities. Limestone, the major raw material used in the manufacture of cement is found in many states in Nigeria, with extensive deposits in Sokoto, Gombe, Benue, Kogi, Edo, Oyo, Ogun and Cross River states. These deposits support cement plants in the country, with a notable cluster of manufacturing in Ogun State where Dangote Cement, Lafarge Africa and PureCem have plants in close proximity. Overall, the resource base of the known limestone deposits is about 2.3 trillion Mta with 568 million Mta of proven reserves. It takes approximately 1.5-1.6 tonnes of limestone to make a tonne of clinker.

Other essential materials include laterite, shale and clay, which are mixed with limestone before heating in the kiln to form clinker. Cement factories are usually located in places where these materials are found and close to sources of limestone. For example, Dangote Cement's four factories in the three locations in Nigeria are self-sufficient in the basic raw materials needed for cement production.

Gypsum is an important input for the manufacture and production of cement, accounting for about 4% of the total raw materials required. It is added to clinker and other extenders at the final stage of production, as the cement powder is ground for packing. Gypsum is essential to control the rate at which cement hardens after water is introduced. Without it, cement would set quite rapidly after hydration and this would make it difficult to use cement to create concrete that needs to be mixed, transported and poured before setting. At present, Nigeria's cement manufacturers rely on imported gypsum, as the gypsum mining industry is not particularly well developed in the country.

14.1.8 NIGERIA CEMENT MARKET DRIVERS

Mass Housing Programme

The Federal Government has stated that the Mass Housing Programme will deliver up to 300,000 homes every year. Under this programme, young professionals and artisans will organise themselves into small and medium scale co-operative businesses within the construction industry, to develop these houses, based on a set of standardized designs. This programme will also prioritize the use of local labour and materials.

Beyond large-scale house building projects, much of Nigeria's cement demand in recent years has been sustained by small-scale building and individual housebuilders, accounting for about 50% of the market. Because Nigeria lacks a large-scale clay brick industry, cement is widely used in block making, where the cement gives strength to concrete blocks made by the millions in what is essentially an artisan industry.

Public Works and Road Construction Programme

One of the major infrastructure challenges that Nigeria faces today is lack of good-quality roads. The road network in Nigeria is still considered to be grossly inadequate.

The Federal Government, through the NESP, has unveiled plans for the largest public works and road construction programme in the history of Nigeria. The project will involve recruiting a minimum of 1,000 young Nigerians per local government, which will amount to 774,000 direct jobs. There will also be extensive focus on the construction and repair of major and rural roads using locally available materials, such as limestone, cement and granite. The roads component will include the acceleration and expansion of scope of the Road Infrastructure Tax Credit Scheme (RITCS).

Virtually all the roads in Nigeria were made using asphalt and bitumen and road maintenance uses the same materials and techniques. However, given the poor state of Nigeria's roads, there is increasing recognition by the Federal Government that concrete roads can provide a more durable, lower-maintenance alternative to asphalt roads. Nigeria's cement manufacturers and their trade association, the Cement Manufacturers' Association of Nigeria, have encouraged the Federal Government to embrace concrete roads. Dangote Cement has built a number of demonstrator roads using concrete, notably on the approach to its Ibese plant in Ogun State. In addition, Dangote Cement is collaborating with Flour Mills Nigeria Plc. to rebuild the Apapa-Oshodi expressway terminating at Ojota using concrete. The road is being constructed under a public private partnership arrangement.

In 2020, a number of state governments undertook capital raising activities in order to raise funds for the establishment, development and/or rehabilitation of various infrastructure projects in their respective states. The Federal Government of Nigeria is focusing on the completion of as many ongoing infrastructure projects as possible.

14.1.9 OUTLOOK FOR NIGERIAN CEMENT CONSUMPTION

Despite Nigeria outranking almost all Sub-Saharan countries in terms of Gross National Income per capita, the cement consumption per capita is much lower. Cement consumption has remained low, despite the huge latent demand for housing and infrastructure.

Demand rose by 5.7% in 2016, while the country was in recession. This was driven, to a large extent, by price cuts implemented by Dangote Cement in 2015, thereby stimulating demand in the first eight months of 2016. Demand was subsequently dampened by the price increases outlined above. In 2017, a slowdown in the economy resulted in an 18% drop in cement demand, which subsequently rebounded in 2018 to 21Mta. At the end of 2019, cement demand was up 2% on the 2018 21Mta estimate. Robust growth trend continues with strong demand from housing and infrastructure through 2020 and 2021.

The Dangote Cement's sales volume in Nigeria increased by 13.8% year-on-year as at December 31, 2021. According to GCR 13, ample limestone reserves have led to sustained growth in capacity for many years. A number of new integrated plants or expansion projects that have been announced by BUA Cement, International Cement, NigerCem, AshakaCem and Southport Cement, are expected to increase industry capacity to over 70Mta upon completion.

14.2 SUGAR INDUSTRY

Sugar, used as a sweetener in food and beverages, is a sweet crystalline substance acquired from various plants, such as sugar cane and sugar beet. It was first used in the Polynesian Islands more than five thousand years ago. Early Polynesians discovered that sugar cane held a sweet-tasting liquid and could be used in preparing food. Sugar cane then became widespread due to trade, invasions and conquests. In 1493, Christopher Columbus brought sugar cane to the Caribbean and the crop thrived in the fertile environment. Currently, 124 (One Hundred and Twenty-Four) countries produce sugar from either cane or beet, and eight countries produce sugar from both cane and beet. Sugarcane, on average, accounts for circa 80% of the global sugar production. According to the World Population Review, as at 2022, the top ten sugar producing countries are Brazil, India, China, Thailand, the United States of America, Pakistan, Mexico, Russia, France and Australia and the International Sugar Organisation (the "**ISO**") estimates that they account for nearly 70% of global output.

Sugar crops offer production alternatives to food, such as livestock feed, fibre and energy, particularly biofuels (sugar-based ethanol) and co-generation of electricity (cane bagasse). Sugarcane is generally regarded as one of the most significant and efficient sources of biomass for biofuel production. A wide range of environmental and social issues are connected with sugar production and processing, and sugar crop growers, processors, plus energy and food companies, are seeking ways to address concerns related to sugar production, biofuels and sustainability.

14.2.1 Overview Of The Sugar Industry

As at 2022, African countries accounted for about 2% of the world's sugarcane production with Brazil being the largest sugar-producing country in the world, yielding approximately 42 million metric tons of sugar. Half of African countries produce sugarcane, and there are several sizable producers on the continent, the largest of which are South Africa (2,192,000 tonnes) and Egypt (2,114,000 tonnes). Eswatini, Morocco, Uganda, Sudan and Kenya also produce substantial volumes of the commodity. According to the Ragus Global Sugar Market Report (February 2022), African sugar production for 2021/2022 is expected to reach 12,600,000 tonnes, compared with 9,600,000 tonnes in 2020/2021, due to the increased production in Egypt. Egypt's 2021/2022 sugar cane harvest began in January 2022 and will continue until June. The Country intends to produce 1,000,000 tonnes of sugarcane in 2022 and 2,000,000 tonnes of beet sugar, with the beet campaign starting in April 2022. The country consumes 3,300,000 tonnes of sugar annually. A larger cane crop in South Africa is expected to produce 2,200,000 tonnes for 2021/2022, compared to 2,000,000 tonnes in 2020/2021. This is due to frost-damaged canes and civil unrest causing mill closures.

Eswatini and Swaziland are expected to produce 750,000 tonnes of cane sugar after plentiful rainfall and improved irrigation. According to the ISO, half of Africa's sugar production is concentrated in the Common Market for Eastern and Southern Africa countries ("**COMESA**") countries. This share is set to expand to 8% by 2029, according to a 2020 report from the United Nations Food and Agriculture Organisation ("**FAO**").

While global demand for sugar fell during the Covid-19 pandemic, it is forecast to expand in African markets, with higher consumption levels expected to be driven by population growth. A slight slowdown in the per capita consumption rate, however, is expected. According to the FAO report, the average annual global per capita sugar consumption stood at 22.5 kg between 2017 and 2019, nearly double the 12 kg per capita consumed in sub-Saharan Africa over the same period. Even as per capita consumption is projected to expand in Egypt and several sub-Saharan countries, it is estimated to remain below 14 kg per year in markets such as Ethiopia and Nigeria. Output on the continent is expected to increase through 2029 on the back of higher sugar prices, according to FAO projections. The international organisation forecasts that the continent's output – excluding South Africa – will increase by 40% between 2020 and 2029, from 11,300,000 tonnes to 15,800,000 tonnes. This growth will be fuelled by greater output in sub-Saharan Africa on the back of investment in facilities such as farms and mills, as well as higher consumption throughout the region.

14.2.2 Consumption And Demand

Whilst per capita consumption of sugar in Nigeria is at 8kg, there is significant demand for sugar in Africa, which has an 8m-11m tonne deficit of the commodity. This is expected to rise to over 14m tonnes by 2030. The continent is also home to a large market for downstream products related to energy and animal production, which is an incentive to invest. The African Sugar Development Task Force ("ASDTF"), endorsed by the International Sugar Organisation (the "**ISO**") in 2019, has worked to highlight these opportunities. Improved trade relations are also set to make the sugar industry more competitive in Africa.

By the African Continental Free Trade Area Agreement (the "**AfCFTA**"), governments commit to removing tariffs on 90% of goods produced within Africa. Thus, companies will be able to manufacture goods locally and transport them outside Nigeria without having to pay any duty. Nigeria is one of the signatories of the AfCFTA whose membership includes 54 out of 55 African member states. Nigeria has ratified its membership of the AfCFTA but has not enacted the AfCFTA into domestic law. The implementation of the AfCFTA may however lead to the creation of growth markets for African products within the continent. Sugar manufacturing has historically faced intra-African trade barriers, which have helped create a sugar deficit that is set to hit 14.2million tonnes a year by 2030 without intervention – more than double the 7 million-tonne deficit seen in 2010, according to the International Sugar Organisation ("**ISO**") and the United Nations Food and Agriculture Organisation (the "**FAO**"). This will further hamper Africa's food security, as well as result in lost revenue. With the implementation of the AfCFTA, it is expected that the extant high tariffs and non-tariff barriers will be lifted. Sugar will also benefit from policies that are non-sugar specific, such as those that seek to improve the ease of doing business, strengthen legal protections and improve transport networks. The African Sugar Development Task Force (the "**ASDTF**") was created to position the sugar industry as a catalyst for expansion in the wider continental agriculture sector. According to the ASDTF in the annual Sugar in Africa Report (2021), the AfCFTA will help foster industrial and trade policies that will boost the value of African sugar, while promoting free and fair intra-continental sugar trade, and safeguarding regional markets against harmful practices such as dumping. By streamlining intra-regional trade and encouraging best practices, the trade area is expected to foster wider economic growth and help the sugar industry attract investment and improve supporting infrastructure. The industry will not only benefit from trade preferences for African sugar, but also from broader changes that will enhance the ease of doing business, such as legal protections for companies and investment, transport infrastructure development and increased access to financing. Africa has the natural resources to fill the growing supply gap, but it is lacking policies required to develop fair intra-African sugar trade flows, increase demand for African-produced sugar, and attract billions of dollars of foreign and regional investment into the sector. Increased investment will help create thousands of new jobs in sugarcane production, mill revitalisation, sugarcane-based bio-refineries with diversified products, destination sugar refineries in landlocked markets, and downstream industries that use cane, sugar or derivatives. The ASDTF is also working with various institutions and national governments to streamline sugar policies, create venues for financing and establish a strategic roadmap for the development of a value-added driven continental market.

Nigerian Sugar Master Plan ("NSMP")

Nigeria is a net importer of sugar, either raw for refining or in its refined and granulated forms. This dependence on imports is a reflection that until recently, Nigeria had no functional sugar production industry; despite the fact that Nigeria is a country that is blessed with abundant fertile land suitable for sugar cane farming.

Recognizing this paradox, in 2008, the National Sugar Development Council developed the NSMP and in 2012, the Federal Executive Council approved the NSMP as well as a number of policy measures and fiscal/investment incentives designed primarily to provide a conducive environment for its implementation. The NSMP was developed as a road map for the attainment of self-sufficiency in sugar within the shortest time possible. The Government aims to make Nigeria sugar self-sufficient by 2024. Specifically, the NSMP's initiative is to raise local production of sugar to enable the country attain self-sufficiency; stem the tide of unbridled importation; create a large number of job opportunities and to contribute to the production of ethanol and generation of electricity.

14.2.3 CAPACITY AND SUPPLY

Worldwide sugar production decreased significantly in the 2019/20 season, as movement restrictions and social-distancing measures constrained operations. According to the ISO in early 2021, global sugar production dropped from 171.2m tonnes in 2019/20 to 169m tonnes in 2020/21, a decrease of 1.24%. Conversely, consumption levels increased from 170.3m tonnes to 173.8m tonnes over the same period. In Africa, differences in production levels exist amongst regions. Southern Africa – which includes countries such as Zimbabwe, Mozambique, South Africa and Eswatini – is a net exporter. There is a strong focus on the development of the sugar industry, and it is expected that South Africa’s Sugar Industry Master Plan will be beneficial to the wider region, as many of the country’s companies have significant investments across the region. On the other hand, Eastern Africa has a large deficit of the commodity and is a net importer. Countries such as Kenya and Sudan have a history of sugar production, but lack the right policies to support the sector. Only in Ethiopia do we see policies being developed that may support the sector. Apart from Nigeria, most countries in West Africa are in the process of developing a sugar master plan under the auspices of ECOWAS. According to the National Sugar Development Council (“NSDC”), in 2020 Nigeria’s annual sugar consumption was 1,531,471 tons, its importation was 1,531,471 tons, its annual importation cost ($) was $433,406,293.00 and its Per Capital Consumption (Kg-Raw value) was 7.7kg. North Africa – which includes countries such as Morocco, Algeria and Egypt – may be a net importer, but is also estimated to be the best-performing region. Operations are well developed and modernised. Geographical and climate challenges, however, limit production.

As the largest producer of sugar in West Africa, Côte d’Ivoire has worked to support local production through regulatory changes and investment deals. The Ivorian government has banned sugar imports to boost local production, a measure first implemented from August 2004 to December 2006. More recently, in May 2021 local manufacturers Sucrivoire and Sucrerie Africaine signed a CFA151billion agreement with the government to raise production to 206,000 tonnes in 2021 and ultimately to 255,000 tonnes by 2025 as part of wider efforts by the country to achieve sugar self-sufficiency. The Ivorian sugar industry has traditionally faced challenges such as high production costs, unfavourable weather and a lack of scaling. The deal also reimposed the ban on sugar imports through 2025 – with the specific aim of reducing illegal sugar imports – while creating a regulatory framework conducive to growth. Nigeria is the second-largest sugar market on the continent after South Africa, but faces several challenges in achieving self-sufficiency and reducing its reliance on imports. The government has long prioritised the development of the sugar industry, implementing the National Sugar Master Plan in 2012 to encourage investment, boost local production, reduce imports and ultimately achieve self-sufficiency. However, growth in the segment remains constrained. In 2020, thecountry's annual sugar consumption stood at 1,531,471 tonnes whilst sugar importation was also 1,531,471 tonnes within the same period. This suggest that there was zero sugar production within the period and therefore, the supply of sugar in Nigeria is vulnerable to supply chain disruptions, price fluctuations and trade barriers. Looking ahead, the country's sugarcane output is expected to fall between 2020/21 and 2021/22, from 75,000 tonnes to 70,000 tonnes, according to the United States Department of Agriculture. This forecast is partially attributed to security-related pressures, as sugarcane is grown mainly in northern Nigeria, which has been vulnerable to conflict in recent years. While production is forecast to decline, refining capacity increased from 2.8m tonnes in 2019 to 3.4m tonnes in 2020. This reflects the country's push to enhance international competitiveness and local capacity.

The major players in the Nigerian sugar refining industry are Dangote Sugar Refinery, Golden Sugar Company Limited, and BUA Sugar Refinery. Dangote Sugar Refinery is Nigeria's largest producer of household and commercial sugar with 1.44M MT refining capacity and a sales volume of 200,510 tonnes as at Q1 2021.

14.3 OVERVIEW OF THE SALT INDUSTRY

Salt, also known as sodium chloride, has many end uses. Virtually every person in the world has some direct or indirect contact with salt daily. People routinely add salt to their food as a flavor enhancer or apply rock salt to walkways to remove ice in the winter. Salt is most commonly used for flavoring foods as it enhances their aroma. It is also excellent for food preservation and cleaning due to its antibacterial properties. It is used as feedstock for chlorine and caustic soda manufacture: these two inorganic chemicals are used to make many consumer-related end-use products, such as polyvinyl chloride plastic made from chlorine and paper-pulping chemicals manufactured from caustic soda. Salt is also referred to as rock salt, halite, common salt, or table salt, and is composed of sodium chloride. With a presence in many plant and animal tissues, as well as water bodies, salt is the oldest known food seasoning and preservative, and records suggest this practice dates back as many as 8,000 years. World continental resources of salt are vast, and the salt content in the oceans is nearly unlimited. According to Statista, the global salt market was valued at about 28.5 billion U.S. Dollars in 2020 and is projected to reach a value of over 32 billion U.S. dollars by 2026.

Industrial salt is one of the most significant and most used components in variable industries. Industrial salts are manufactured by the use of natural resources such as rock salt deposits or natural brine such as sea water and salty lakes. These are produced by conventional mining, vacuum evaporation or solar evaporation processes. Industrial salts are used in the chemical processing, de-icing, water treatment, oil & gas, agriculture among others owing to their availability in large quantities and cost-effectiveness. Due to the diversity of the industrial uses of salt, industrial salt supplies are highly demanded in the market. Increasing demand for industrial salt in key application industries including highway deicing, oil & gas industry, water treatment, agriculture, and chemical processing, primarily for the production of caustic soda, chlorine, and soda ash is expected to drive growth over the forecast period.

14.3.1 CONSUMPTION AND DEMAND

According to the Industrial Salt Market Report published by Markets and Markets, the overall industrial salts market is expected to grow to USD 14.93 billion by 2023, at a Compound Annual Growth Rate ("**CAGR**") of 2.8%. The demand for industrial salts is driven by the growth of its application areas. Chemical processing is the major application of industrial salts. Industrial salts are particularly used as raw material in the manufacturing of caustic soda, chlorine, and soda ash. The increasing demand for these chemicals is expected to drive the consumption of industrial salts. High demand for these chemicals is experienced in economies such as China and India. New manufacturing facilities in countries such as Egypt and India would increase the global production capacity of caustic soda, which would boost the market for industrial salts. Similarly, a growing number of water treatment projects are expected to increase the usage of industrial salts. Several water treatment projects are taken up which would enhance the demand for industrial salts. For instance, in India, as much as 27 water treatment projects are either under construction or in the pre-construction stage. These projects would use industrial salts for the purpose of water softening and purification process. Use of industrial salts in de-icing is highly dependent on geography and regional climatic patterns. Countries with snowfall expectancy such as Morocco, South Africa and Kenya store industrial salts for clearing roadways. Instances of a shortage of salt supply for road de-icing have occurred in the past. Hence, countries have started accumulating more inventories for de-icing applications.

14.3.2 CHEMICAL PROCESSING

Industrial salts are used as raw material for the production of different chemicals. Industrial salts in the chemical industry are largely used for the manufacturing of caustic soda, chlorine, and soda ash. The chlor-alkali industry manufactures caustic soda and chlorine by the electrolysis of industrial grade salt.

14.3.3 DE-ICING

Industrial salts are widely employed as an economical option for the de-icing of roads, platform, and walkways. Industrial salts have the ability to lower the freezing point, thereby, melting the ice. De-icing accounts for the second-largest share of the overall use of industrial salts market. Industrial salts used for de-icing is of the lowest grade with higher levels of impurities compared to grades used for other applications. Though industrial salts are inexpensive and are non-toxic, concerns over environment and health in certain application have resulted in a slight decline in their usage. Usage of sodium chloride has resulted in changing the electrolytic balance in plants and trees. The salt is also corrosive in nature, resulting in damage to automotive parts. However, alternatives such as calcium chloride and potassium chloride are expensive and come with their own disadvantages. Innovations such as the use of magnesium chloride liquid along with sodium chloride for improved properties are expected to drive the market for industrial salts in de-icing applications.

14.3.4 WATER TREATMENT

Industrial salts used for water treatment are typically employed in water softening systems. Water softening systems involve a process that effectively removes calcium and magnesium salts from water by ion exchange process using resins. Industrial salts are used for the resin regeneration, which would improve the performance of the resin as well as the system. Salts of different geometries such as coarse, granulated, or salt pellets are used for these purposes. Industrial salts are also used in the treatment of drinking water or swimming pools as a source of chlorine, which serves as disinfectants. Increasing demand for clean water is expected to drive the market for industrial salts in the water treatment application segment.

14.3.5 OIL & GAS

Industrial salts are used as an additive in mud used as drilling fluids. This mud lubricates and also acts as a coolant for the drilling head. Industrial salt obtained from solar evaporation, vacuum pan evaporation, or conventional mining processes are used for this application. The performance of the drilling fluids varies largely on the concentration of salt in the mud. Salt in drilling muds also serves as flocculants, thinners/dispersants, diverting agents, acidizing specialty additives, and stabilizers. With newer oil & gas drilling wells projected to start, the demand for industrial salts is expected to increase.

According to the South African Department of Mineral Resources (the "**DMR**"), less than 50% of the country's salt consumption requirement is produced locally. Only 12% of the salt produced is used in the food industry, with the bulk being used in the industrial sector in areas such as petrol refining, petrochemistry, animal feed, the production of cooling brines and other applications.

Abundant salt reserves and growing demand create further opportunities for increased supply of salt. The extreme dryness of the Northern Cape makes it ideal for salt production. Small scale operators with an area of 1.5 hectares or less can apply for a mining permit, which is less onerous than a mining right, and the DMR has committed to supporting black-owned junior mining companies.

The demand for rock salt is expected to grow at the highest CAGR between 2017 and 2022. The growth of this segment of the salt market can be attributed to the large availability reserves of salt in salt mines. Rock salt deposits are found buried underground in arid regions such as dry lake beds, inland marginal seas, enclosed bays, and estuaries. These rock salts are mined either by conventional mining, continuous mining equipment or by solution mining.

14.3.6 CAPACITY AND SUPPLY

According to the United States Geological Survey, Mineral Commodity Summaries (January 2022), China is the world's largest single producer of salt followed by the United States of America, India, Germany, Australia, Brazil, Chile and Canada. China, the United States, and India altogether produced a combined total of about 130 million metric tons of salt in 2020. The 2021 Industry Report on Salt published by Tridge, reports that salt production in China has fallen by an average of 2% year-on-year since 2014, but the country has still consistently been ranked as the world's largest producer of salt since 2019. In 2021, a shortage of salt in India was experienced due to the excessive rainfall experienced over the previous two years and the effects of COVID-19 that severely impacted salt production in Gujarat, a major salt production state in India. Global salt exports reduced to 63.2 million tons in 2020, a 15% dip from 2019, when 74.7 million tons were shipped globally. The flavoured salts market is forecast to grow at a CAGR of 5.2% during the period 2018-2023.

According to Statista (August 2021), India exports the most salt of any country, having exported over 10 billion kilograms. China and the United States remain the leading importer of salt worldwide, where it is used in industrial applications within sectors such as pharmaceuticals, agriculture and livestock, and chemical productions. In 2020, the United States imported about 16 million metric tons of salt, a decrease from 18.6 million the year before. As of 2020, the price of vacuum and open pan salt in the United States was estimated to stand at 215 U.S. dollars per ton, while the price of solar salt amounted to approximately 120 U.S. dollars per ton during the same year.

In a February 9, 2022 report, Statista stated that in 2022, the global spices and herbs market was estimated at about 79 billion US Dollars and is likely to witness expanding its valuation to about 126 billion US Dollars by the end of 2023.

Despite the huge global potential for salt production, Nigeria contributes only about 0.01% of the global salt production which indicates the country's reliance on imported salts.

14.4 OIL AND GAS INDUSTRY

Nigeria, a member of OPEC, is Africa's largest and the 13th largest producer of crude oil in the world. It has the 2nd largest proven oil reserves (36.89 billion barrels) in Africa and the 9th largest in the world. The country also holds the largest natural gas reserves on the continent and according to IHS Markit, topped African exporters of LNG in 2021. The oil and gas sector accounted for only 7.24% of real GDP in 2021. Although Nigeria is the leading crude oil producer in Africa, production is affected by supply disruptions.

Nigeria's crude oil and natural gas resources are key drivers of the economy; hence the economy is noticeably affected by crude oil price changes. Nigeria is currently one of the largest consumers of petrol motor spirit ("**PMS**") in the world. However, the country relies on the importation of petroleum products due to its limited refining capacity.

The oil and gas industry is segmented into three (3) sub-sectors – upstream, midstream and downstream. The upstream sector primarily consists of exploration and production of crude oil/and or natural gas from the underground or underwater fields. The exploration process involves conducting geological and geophysical surveys required to explore possible sites, searching for potential underground or underwater crude oil and natural gas fields and obtaining leases and permissions from the land owners to drill. The midstream sector is involved in storage, transportation, and processing of oil products and natural gas. The Nigerian midstream sector currently consists of four (4) oil refineries (with an aggregate capacity of 445,000 b/pd), which only processes about 45,000 b/pd (representing about10% of total aggregate capacity), leaving the oil and gas industry with a huge untapped refining gap. The downstream sub-sector of the oil and gas industry involves the importation, exportation, marketing and distribution of refined petroleum products.

14.4.1 OVERVIEW OF THE OIL REFINING SECTOR

The midstream sector consists primarily of the oil refining and the gas sector.

Nigeria’s four oil refineries, which were built in the 1970s and 1980s, operate inefficiently and significantly below their production capacities, in part due to old technology and infrastructure and lack of regular maintenance attributable to budgetary constraints, as well as the high cost of transportation of crude oil to the refineries. The country relies heavily on imported petroleum products in Nigeria given its limited ability to refine petroleum products domestically. Accordingly, any rise in the international price of oil significantly affects Nigeria’s economy because, amongst other things, higher oil prices increase the country’s costs of imported petroleum products and exert upward pressure on prices.

Nigeria's political environment and large untapped reserves have been a key factor in the country's oil and gas investment. Completing the rehabilitation and enhancing capacity utilisation of Nigeria’s refineries, in addition to setting up co-located refineries to guarantee effective supply and distribution of products across the country and African sub-region, is a key focus area of the current administration. The Federal Government aims to transition Nigeria from being an importer of petroleum products to being a net exporter of petroleum products and value- added petrochemicals, to diversify Nigeria’s export base and enhance import substitution, GDP growth and employment generation.

To alleviate the impact on consumers, the Federal Government has historically regulated the prices of certain petroleum products whilst subsidising petroleum retailers, at substantial cost. The subsidy scheme attempts to make up for the difference between the importer’s cost and the official pump price of the products, as capped by the FGN. In 2020, the Federal Government reduced the pump price of petrol, following the sharp drop in oil prices due to the prevailing low demand for oil, owing to a global economic shutdown occasioned by the COVID-19 pandemic. In March 2020, the Federal Government announced the removal of subsidies on petroleum products, reducing the PMS pump price by 10% from the ₦145 per litre cap, to ₦130 per litre, and again to ₦108 per litre in May 2020. However, the price jumped to N165 in 2021, despite being subsidised, as a result of the increase in crude oil prices in the international market.

The following table sets out the volume of domestically refined oil products and imported refined oil products for the periods indicated:

	For the year ended 31 December					For the three months Ended 31 March	
	2016	2017	2018	2019	2020	2020	2021
Domestically Refined Oil Products ..	22.5	29.5	13.4	3.4	0.0	0.0	0.0
Imported Refined Oil Products	155.0	143.0	117.3	67.1	11.1	30.7	29.9

Source: NNPC

In September 2020, the Federal Government moved to deregulate the sale of PMS in order to free up cash flows at a time when oil receipts had dropped. Given this development, gross margins for petroleum product marketers across the sector increased significantly in Q3 2020. On 11 March, 2021, the now defunct Petroleum Products Pricing Regulatory Agency released a template for pricing fuel on its website. This template stated an expected retail pump price for the sale of petrol as a price within range N209.6 to N212.61. Thus, it is expected that in the medium term the price of PMS would change and oil marketers may be inclined to import PMS.

Under the PIA, the fuel subsidy on imported petrol was originally expected to be removed on 16 February 2022. However, on 25 January 2022, the Minister of State for Petroleum Resources announced the Federal Government's intention to extend the duration in the PIA by 18-months to allow time for stakeholders to try to limit the impact of such a removal in line with the prevailing economic conditions.

14.4.2 PRODUCTION

Nigeria's oil production (excluding natural gas liquids) averaged 1.57 million b/pd in the third quarter of 2021. This represented a significant fall by 14.6% compared with average production of 1.8 mb/d in 2020. The 8.4% rise in Nigeria's crude oil production in 2019 (to an average of 1.74mb/d), was as a result of the boost in output from the 200,000-b/d Egina project.

According to OPEC, Nigeria's proven crude oil reserves stood at circa 36.9 billion barrels (the second highest in Africa after Libya) and its proven gas reserves were estimated at 5,750 billion cubic metres (cu. m.) as of 2020. OPEC further disclosed that Nigeria's crude oil reserves dropped to 36,910 million barrels in 2020, from 37,453 million barrels in 2016, indicating a decrease of 1.4 per cent or 543 million barrels in five years.

In its just-released 2021 Annual Statistical Bulletin, OPEC disclosed that, the nation's oil reserves hovered at 37,453 million barrels in 2017, before sliding to 36,972 million barrels in 2018 and 36,890 million barrels in 2019.

The organization further noted the low deployment of rigs for exploration, which stood at 49 in 2020, due mainly to limited investment in the nation's oil and gas industry.

Exports in the third quarter of 2021 were still oil dependent, as crude oil accounted for ₦4,026.18 billion of total exports (78.48%) with non-oil products only representing 10.65% of total exports during the third quarter of 2021. Nigeria exported mainly mineral products which accounted for ₦4,605.25 billion (89.77%) of total export value.

Following the Russian invasion of Ukraine in February 2022 and concerns regarding oil supply, global oil prices rose dramatically. According to the CBN, the price per barrel of Nigerian crude oil (Bonny Light) reached a high of U.S.$139.41 on 8 March 2022, an increase of 82.8% compared to a price of U.S.$76.25 per barrel as at 31 December 2021. As of 11 March 2022, the oil price had fallen slightly to U.S.$120.13 per barrel.

14.4.3 CAPACITY AND SUPPLY

Nigeria's four oil refineries are located at Kaduna, Warri and Eleme (with two refineries) near Port Harcourt. These four refineries have a combined installed capacity of about 445,000 b/pd. The refineries however operate sporadically and at different rates given limitations from aged infrastructure, lack of regular maintenance and poor margins, leading to frequent outages.

The 110,000 b/pd Kaduna refinery was completed in 1980 with analogue equipment from the 1970s to process both imported paraffin and Nigerian crude oils into fuels and lubricant products. Initially designed to be a simple hydro-skimming refinery, fuel shortages led to the redesign of the plant to produce a larger variety of refined products. In addition to the major refined products, the Kaduna refinery can produce sulfur, linear alkyl benzene, base oils, asphalt (bitumen) and waxes. The refinery has never been effectively upgraded, making it almost impossible to be competitive in the modern refining sector. Due to the analogue control, it is near impossible to optimize operations. The facility has also not received crude since January 2018 and has thus been effectively shut in.

The 210,000 b/pd Port Harcourt refineries are run as a single unit but identified separately by the NNPC despite several of the units having been interconnected in 1993. The old refinery was commissioned in 1965 with a 60,000 b/pd capacity with a catalytic reformer to produce gasoline. The new refinery was installed in 1989 with a 150,000 b/pd capacity with a vacuum distillation and FCC unit, catalytic reformer, isomerization and alkylation units to produce high octane gasoline blending components, hydrotreating units and associated facilities. The combined capacity of two plants, makes them the largest refining center in Nigeria. In 2018, the refineries saw seven months of zero utilization, with 2019 showing little improvement. The first nine months of 2020 also saw zero utilization.

The 125,000 b/pd Warri refinery was commissioned in 1978 with a capacity of 100,000 b/pd, which was later expanded to 125,000 b/pd in 1987. It is located on the coast of Delta State. The refinery is similar in configuration to the new Port Harcourt refinery, and contains a vacuum distillation unit, FCC unit, catalytic reformer, isomerization and alkylation units, hydrotreating units and associated facilities. The refinery typically produces significantly below capacity because of problems with the storage and transport of products, which force it to run intermittently. The refinery is integrated with nearby NNPC petrochemical plants, including a 35,000 tonne per annum ("**tpa**") polypropylene plant and an 18,000 tpa carbon plant.

Despite capacity being theoretically well above domestic consumption, problems (including sabotage, fire, poor management, supply disruptions and lack of regular maintenance) contribute to severe inefficiency and underutilization. The four state run refineries are unlikely to improve in the near-term without substantial investment. In 2019, NNPC had announced that it had plans to revamp the refineries to enable the country save considerable on fuel imports.

In 2020, NNPC deliberately shut down all four refineries in order to carry out proper rehabilitation of the refineries and avoid financial losses. In April 2020, Group Managing Director of NNPC reportedly revealed that the NNPC would no longer operate the four existing refineries and instead allow an unnamed private firm to run them on an operation and maintenance contract. The contract would be structured on minimum utilization level and would be modelled after the highly successful Nigeria LNG model.

The contract for the rehabilitation of the Port-Harcourt Refinery has been awarded. The NNPC has also officially signed a contract with Tecnimont SPA for the US$1.5bn rehabilitation programme of the Port Harcourt Refining Company. The project is said to be completed in three phases, the first within 18 months taking the refinery to 90% production capacity, with the second and final phases carried out within 24 months and 44 months respectively. The contracts for Warri Refining and Petrochemical Company and Kaduna Refining and Petrochemicals are at various stages and are expected to be awarded soon.

Modular refining licenses were issued to 65 Nigerian companies in 2015 in a bid to increase domestic refining capacity and production of locally refined petroleum products. Modular refineries are small refineries with capacities ranging from 1,000 – 10,000 b/pd. The speed at which they can be assembled makes them an effective substitution for large scale refineries which often take years and significant capital investment to build. These efforts to spur new facilities have yielded two modular refineries which may add incremental capacity over the coming years and, more importantly, increase the local supply of products.

Two privately owned refineries, the Waltersmith Petroman's modular refinery and the NDPR refinery, operated during the period. In 2020, approximately 500 thousand barrels of oil were refined domestically, at the Waltersmith and NDPR private refineries, a decrease of 85% from 3.4 million barrels in 2019. In 2018, 2017 and 2016, domestically refined oil totalled 13.5 million barrels, 29.5 million barrels and 22.5 million barrels, respectively. The reduction in refining capacity utilisation was due to non-availability of the pipelines to supply crude to the refineries as a result of vandalism, poor infrastructure, non-commercial business models and non-adherence to turn-around maintenance schedules.

Nigeria's refining capacity historically has been substantially lower than domestic demand for refined oil, resulting in significant imports. To increase domestic refining capacity, the NNPC has partnered with international oil companies and other investors to establish greenfield refineries. Currently, the NNPC is progressing with the following greenfield refinery projects:

- Anoh (OML 21, 53) with capacity of 30KBPD in partnership with Borkir International;
- Oben (OML 4, 38, 41) with a capacity of 10KBPD in partnership with Seplat;
- Gbaran Ubie with a capacity of 12KBPD in partnership with Azikel;
- African Refinery with a capacity of 100KBPD in partnership with ARPHL;
- Oredo (OML 111) with a capacity of 10KBPD in partnership with AYM/Sahara; and
- Ughelli (OML 34) with a capacity of 10KBPD in partnership with NDW.

The 12,000 b/pd Azikel hydro-skimming refinery project in Bayelsa State has been awarded to McDermott International. Site preparation has commenced, including administrative buildings, terminal operations facilities and feedstock tanks. A dedicated pier is also in the works to support receipt of components for the refinery. The refinery is expected to support a mix of gasoline, diesel and kerosene. Petrolex Oil & Gas is undergoing a Front End Engineering Design study for a 250,000 b/pdd refinery to be constructed in Ogun State and is initially expected to cost US$3.6 billion. A fertiliser plant, lubricants facility and LPG plant may also be constructed in combination with the refinery. The company is targeting a 2024 start-up for the plant. BUA Group is also planning to construct a 200,000 b/pd refinery and petrochemicals facility, slated to be ready by 2024.

The Group's planned refinery in the Lekki Free Zone will offer a significant capacity and efficiency boost to the sector, adding 650,000 b/pd of new capacity, which will help improve poor utilization rates. This single train facility would turn Nigeria into a net exporter of fuels. The refinery has experienced a few delays resulting from COVID-19 mitigation measures, leading to an extension of the project timeline.

From 2023, it is expected that Nigeria will have the capability to become a net refined fuels exporter, eradicating the need for refined fuels imports. Output from new facilities will support the increase in output and would allow for exports after meeting domestic demand in full. Nigeria's crude oil exports are expected to decline and continue declining as, amongst other things, OPEC+ compliance keeps exports subdued. Exports will likely continue to decline until new upstream production replaces the crude diverted to domestic fuel refining.

14.4.4 CONSUMPTION AND DEMAND

The COVID-19 related fall in oil prices between January and April 2020 as well as worsening economic conditions saw a decline in consumption of refined materials. The crash in prices led to a reduction in the government expenditure on fuel subsidies and deregulation of the fuel market. The move was followed by a pledge to keep prices in line with market forces, effectively ending the long-held subsidies Nigerians enjoyed.

The transport sector accounts for the largest share in Nigeria's refined fuels consumption. Electricity generation remains overwhelmingly gas powered and accounted for 75% of electricity generation in 2018[4]. Fuel use in

[4] Fitch Solutions; Nigeria Oil & Gas report (Q1 2021)

power generation is expected to decrease over the coming years as gas supply grows and delivery becomes more consistent, replacing small-scale diesel-powered generation.

Nigeria's refined product demand is geared towards gasoline. It is estimated that gasoline accounted for about 73% of Nigeria's total refined product demand in 2019. Nigeria's particularly large and rapidly growing population coupled with an annual rise in passenger vehicles in use has contributed to the emergence of this demand growth pattern.

With Nigeria's refineries encountering severe operational issues and running at average utilization levels of less than 25% over the last decade, Nigeria has had to import a significant volume of refined products, particularly gasoline. With the drop in oil prices and dropping oil output in recent years, Nigeria has also encountered a severe crunch of foreign exchange to import refined products.

Recent changes to the monopoly on fuel imports by the NNPC should see more independent marketers begin to import fuel into the country. Overall import volumes are expected to decrease rapidly as Nigeria grows to become a net exporter of fuels. Also, the NNPC is trying to encourage greater uptake of liquefied petroleum gas to reduce Nigeria's reliance on imported gasoline and diesel.

2018 and 2019 saw substantial increases in imported fuels which helped ease fuel bottlenecks while distribution efficiency improved. These factors resulted in a substantially stronger uptake of fuels, particularly diesel and gasoline. This increase in import came at a significant cost to Nigeria as the majority of refined fuel imports originated from the US. The country also imported a significant amount of refined fuels from Russia, Sweden and India. According to NBS, Nigeria imported motor spirit ordinary (petrol) worth N782.5 billion in the second quarter of 2021, representing a 799% year-on-year increase compared to N87.08 billion recorded in the corresponding period of 2020. The petrol import recorded is 14% higher than N687.74 billion recorded in the previous quarter, and also represents the highest petrol import value recorded since Q3 2018.

In recent years growth in aggregate petroleum consumption has been volatile, largely reflecting supply-side issues and subsequent fuel shortages. With better access to and more reliable availability of fuels, consumption has grown aggressively since early 2017. It is expected that consumption growth will return more in line with traditional correlating factors, such as economic growth, population growth and vehicle ownership.

Nigeria's refined fuel consumption had been showing signs of recovery after three years of negative or weak demand growth. Many of the headwinds faced since the oil price crash in 2016 have abated though many have not fully recovered. The increase in economic activity, private consumption spending and vehicle sales will lead to additional demand and consumption for gasoline in the coming years.

Fuel availability is also set to increase. However, fuel exports will likely be contingent on the growth in fuel consumption. Overall refined fuels consumption is expected to increase as the economy continues to develop and expand.

14.5 FERTILISER INDUSTRY

Fertiliser is a chemical mixture that is added into the soil for supplying essential nutrients for the growth of farm crops. Fertilisers enhance the natural fertility of the soil or replace the chemical elements taken from the soil by previous crops. Organic and inorganic variants are the most common types of fertilisers available in the market. Organic fertilisers are mainly manufactured from agricultural waste and livestock manure, while inorganic fertilisers are produced using various chemicals and secondary nutrients. They are primarily used to provide specific nutrients that are deficient in the soil and are a rich source of potassium, nitrogen, phosphorus and other nutrients that are crucial for sustainable food production and high crop yield. They also aid in maintaining soil fertility and improving its water retention capacity.

Inorganic fertilisers include nitrogen, phosphate, potash, micronutrient and compound fertilisers. According to the IHS Markit Chemical Economic Handbook – Ammonia, 2020, nitrogen fertilisers are the most widely used fertilisers in the world, accounting for close to 60% of all fertilisers, and can be utilized to increase production and quality of agricultural products. Ammonia is the basic building block of the nitrogen fertilisers with consumption of ammonia for nitrogen fertilisers accounting for more than 80% of the world ammonia market. According to the IHS Market Chemical Economic Handbook – Urea, 2020, most of the world's ammonia is produced from natural gas (with China as an exception where much of the ammonia produced is from coal gasification).

Ammonia is processed into downstream fertiliser products before being applied to the soil. Ammonia has industrial applications as well, being used to make synthetic fibers (acrylics and nylons) and plastics and various amines and nitriles.)

Urea is the most popular form of solid nitrogen fertiliser, particularly in the developing regions of the world, and is traded widely on the international market. Around 80 – 85% of the production is used as a fertiliser. More than 40% of all food grown in the world is fertilized by urea. Fertiliser applications account for a majority of all urea consumption with industrial applications accounting for the remainder. In industrial applications, urea can be used to make urea-formaldehyde resins, melamine, diesel exhaust fluids, and livestock feeds. It is also used to make adhesives and paints, laminates, molding compounds, paper, and textiles.

14.5.1 OVERVIEW OF THE GLOBAL FERTILISER INDUSTRY

Global demand growth for fertilisers in the long run is correlated to population growth since this is the main driver for food production and consumption. Farmers tend to apply fertilisers more sparingly during economic downturns and weather events, which does impact demand growth. Globally there has been weaker nutrient demand in recent years due to poor economic prospects, lower crop and food prices, increasing competition, and fluctuating energy prices. A reduction in fertiliser prices has had a significant impact on fertiliser producers' earning potential.

In the long term, several countries are set to be importers of ammonia and urea due to the growing demand and the lack of major capacity additions, including Brazil, Chile, Colombia, the United States, South Africa and Western Europe. According to the Nexant, Fertiliser Project Market Advisory Report, 2017, these markets are export opportunities for ammonia and urea producers.

14.5.2 CONSUMPTION AND DEMAND

Ammonia demand was forecast to grow at an average annual growth rate of around 2% a year from 2016–2035, with the top three regions by consumption being Asia Pacific, North America and Europe, with India and China accounting for majority of demand in the Asia Pacific area. Global demand for ammonia is driven by the demand for fertiliser, with consumption of ammonia for nitrogen fertilisers accounting for more than 80% of the world ammonia market. The demand growth for fertiliser in the long run is correlated to population growth since this is the main driver for food production and consumption. The demand for ammonia in industrial applications is linked to construction and consumer goods, which is linked to GDP growth.

During 2020–2025, world apparent consumption of ammonia is forecast to increase by about 12.9%.[5] The global ammonia supply/demand balance is expected to move toward a surplus, as future capacity additions will continue to outpace consumption. Ammonia capacity is increasing primarily in areas where the availability and cost of natural gas are lower, regions such as the United States and the Middle East.

Fitch Ratings has raised its ammonia price estimates, with the largest prices increases in 2021 and 2022 which reflect buoyant market pricing as agricultural demand remains strong and industrial uses of ammonia should rebound led by demand in Asia.

African countries (excluding Nigeria) consume relatively small volumes of ammonia relative to the size and growth of the population in the region and size of arable land. From 2017–2035, demand is predicted to reach close to ten million tons, with about four million tons of new ammonia capacity projected to come onstream in 2020 - 2035 in Africa.

[5] Apparent Consumption: proxy measure for consumption of a product or material, defined as production plus imports minus exports of the product or material.

The largest consumer of ammonia in Africa (excluding Nigeria) without any domestic production is South Africa. The demand for ammonia is driven by the demand for urea with approximately 60% of ammonia being used for urea production in the region. Ammonia nitrate fertilisers and ammonia phosphate fertilisers utilize 9% and 12% of production, respectively.

Urea demand growth averaged 3.5% per year until 2016, but the pace is expected to slow to an average annual growth rate of just over 2% a year from 2017 to 2035 due to less substitution of other nitrogen fertilisers with urea.

Growth in urea is driven by the growing demand for fertiliser (85% of urea is used as fertiliser) to meet the growing need for food as the global population, disposable income and dietary changes increase. Agricultural demand remains robust due to favorable planting conditions in most regions and high corn prices, although some US urea production capacity was halted due to cold weather. Demand is expected to increase in almost every region except East Asia. South Asia will account for nearly 25% of the global potential demand growth, with significant demand anticipated in Latin America and Africa. Industrial demand for urea fell marginally in 2020 but has fully recovered in 2021.

14.5.3 CAPACITY AND SUPPLY

Investment cyclicality is one of the key drivers of ammonia supply. In the mid-2000s, capacity increased significantly with large additions in developing regions such as China as well as in locations with unutilized gas reserves, especially the Middle East. Ammonia supply also witnessed steady increase and stood at 236.4 million tonnes per annum ("**Mtpa**") as at December 2021 compared to the 236.5Mtpa as at 2019.

Global ammonia capacity is projected to expand by 6% from 218Mt in 2019 to 232 Mt in 2024 mainly driven by the urea expansions. Ammonia capacity is set to expand rapidly across India, Nigeria, Egypt, Russia (Russia's excess ammonia production will be integrated into urea by 2023), Belarus and Uzbekistan. China had large scale capacity restructuring which resulted in capacity reducing from 60Metric tonne Net (Mt N) in 2014 to 53 Mt N in 2019 and therefore capacity is projected to remain flat in at 53 Mt N during 2020–2024. There is expected to be some reduction in ammonia capacity in Latin American between 2019–2024.

Between 2000 and 2016, global urea capacity grew at an average of about 3% per year. Urea capacity is expected to grow at 2.2% per year until 2025. Global urea production will continue to migrate to cost competitive regions. The growth in capacity was expected to be mainly focused in North and South America, the Middle East and China. Several parts of Africa mainly Nigeria has seen a growing interest in developing large ammonia and urea capacities for the domestic market as well as import. The Middle East, Africa and South America are the regions expected to gain more share of capacity by 2035. China will continue to have the largest capacity share despite its capacity expansion happening at a slightly slower rate than the global average till 2025.

Global urea demand is strongly correlated to population growth as around 85 of urea is used as fertilizer. It is expected that the gloabl demand of urea will row at a relatively constant rate around 3 4 million tonnes per annum from 2019 to 2035 from 192 millon tonnes per annum to 259 million tonnes per annum.

14.6 NIGERIA

Fertiliser use is key to Africa's food security by increasing agriculture production. Africa possesses the greatest opportunities for fertiliser sales. In Sub-Saharan African ("**SSA**"), five countries, Ethiopia, Kenya, Nigeria, South Africa and Zambia, account for almost two-thirds of fertiliser consumption.

According to The African Fertiliser and Agribusiness Partnership (AFAP), Urea and NPK are the most used fertilisers in Nigeria. NPK is a compound fertiliser comprising nitrogen, phosphorus and potassium. Fertiliser consumption in Nigeria has historically been low as Nigeria faces the same challenges in SSA due to lack of knowledge, lack of affordability and poor incentives. Nigeria fertiliser consumption has historically been dependent on government policies, subsidies and user budgets. This historical dependency has however changed with the entry and investments of large manufacturers (Indorama, OCP, Notore) into the Nigerian market.

14.6.1 CONSUMPTION AND DEMAND

The start-up of the integrated ammonia and urea complex by Notore Chemical Industries in 2009 became the main source of growing ammonia consumption in the country with most of the ammonia being fed downstream for urea production. Nigeria is estimated to have consumed 659,000 tons of ammonia in 2016 compared to 3000 tons in 2008. In 2016, 96% of ammonia was consumed for urea use, with the remaining 4% going into industrial applications. Ammonia demand growth was forecast to grow at an average rate of slightly over 4% per year from 2017 – 2035.

Nigeria is the third largest urea consumer in the African region. There are a few market end-uses for urea globally, but in Nigeria 98% of urea was consumed directly for fertiliser use. As such, the demand for urea is analogous to the demand for fertiliser in the country with several factors affecting demand for fertiliser in the country.

The Federal Ministry of Agriculture and Rural Development recognizes that fertilisers are a critical part of the agricultural value chain. Agriculture contributed 24.45% to GDP in Nigeria in 2020.[6] Fertiliser subsidies have been a major governmental policy instrument in increasing agricultural productivity in Nigeria such as Anchor Borrowers Programme and Presidential Fertiliser Initiative.

Consumption again saw a significant increase as new capacity from Indorama came onstream in 2016, almost doubling in 2017. Demand for urea is projected to grow by an average annual 4.4% per year between 2016 and 2035 as excess supply is set to be exported globally.[7]

14.6.2 CAPACITY AND SUPPLY

Nigeria has the largest gas reserves in Africa. Significant gas reserves and polices aimed at reducing gas flaring of associated gas production are encouraging downstream investment and ammonia/urea capacity additions.

The Nigerian authorities are committed to rapidly implementing plans to reduce gas flaring and to fully utilize the nation's untapped flared gas resources. In 2020, the DPR announced the launch of the first phase of the Nigerian Gas Flare Commercialization Programme ("**NGFCP**"). The NGFCP was launched in 2016 and subsequently approved by the Federal Executive Council. Its goal is to offer flared gas for sale through a transparent and competitive bidding process, with the underlying long-term objective of reaching zero flaring by 2030. Through the program, Nigeria hopes to reduce gas flaring and venting of associated methane while providing an additional revenue stream.

Nigeria ammonia capacity stood at just over one million tons in 2021. The Notore chemical industries plant, the first fertiliser plant in Sub-Saharan Africa was shut for several years before restarting production in 2009 with ammonia capacity of around 330 000 tons per year.

Additional capacity came on-stream in 2016 when Indorama commissioned a mega-sized fertiliser project comprising 1.4 Mtpa of urea, a gas pipeline and jetty projects. The fertiliser plant's main project components involved 2,300tpd ammonia, 4,000tpa urea and a 4,000tpd urea granulation plant.[8] Ammonia from this plant is fed into downstream and urea production with surplus ammonia available for export.

In March 2021, Morocco and Nigeria signed five Memorandums of Understandings ("**MoUs**") to increase economic co-operation in industry and agriculture. The MoUs cover areas including the building of a US$1.3bn ammonia plant in Nigeria, which is set to be completed in 2023. The project is being established under a joint venture between Morocco's, the state-managed conglomerate in charge of phosphate production (Office Chérefien des Phosphates), and the Nigeria Sovereign Investment Authority. The unit will be able to produce 750,000 tons of ammonia and 1 million tons of fertiliser annually. The unit will be fueled by natural gas provided by Gas Aggregation Company Nigeria. The project aims to support Nigeria's Presidential

6 World Bank
7 National Bureau of statistics: Nigerian gross domestic production report Q4& full year 2020.
8 FitchSolutions 2021. Q2 Nigeria Petrochemicals report

Fertiliser Initiative ("**PFI**"), which was launched in 2016 to increase domestic availability of agricultural fertilisers.

In Nigeria, the primary production of granulated urea fertiliser is by Notore Chemical Industries Plc and Indorama Fertilisers & Chemical.

Nigeria has historically been a net importer of urea until 2015. As the Notore Plant increased its output and the new capacity from Indorama Eleme PetroChemical came onstream in 2016, the country became a net exporter of urea and is forecast to remain a net exporter. Indorama's second 1.6mpta urea line was expected to start up in December 2020, with 70% exported and the rest sold in the domestic market. It would raise Indorama's total urea capacity in Nigeria to 3.0 Mtpa. Other facilities are also planned with BUA Group planning a 200,000b/pd grassroots integrated refining and petrochemical plant in Akwa Ibom and Brass Fertiliser planning a USD6bn urea, methanol and gas processing plant in Bayelsa state with capacities of 1.7 Mtpa methanol and 1.3 Mtpa urea from 2022.[9] Private sector investments in urea are driven by the presence of natural gas (used in urea manufacture). Nigerian producers are targeting Latin American countries as the priority export markets due to the geographic proximity of these countries. Brazil continues to be the main export destination for Nigerian Urea as 84% of the Urea exported was exported to Brazil in 2018.[10] There is little export to the west African sub-region which continues to import urea from outside Africa.

Agricultural Policy

Agriculture in Nigeria is largely subsistence-based, but the Federal Government aims to modernise the sector, building on reforms initiated in 2011. One of the central aims of the Nigeria's Medium Term National Development Plan ("**MTNDP**") is that agriculture and food ecosystem in Nigeria will become the primary driver of growth, wealth creation and employment in the country. The MTNDP is targets a 10% annual growth rate in Nigeria's agriculture and food ecosystem by 2025, driven by entrepreneurship and leveraging technology and innovation to ensure the provision of affordable and nutritious food, enabling Nigerian families to locally substitute at least 60% of current food imports and spend less than 40% of their household income on food.

The Federal Government, through the Federal Ministry of Agriculture and Rural Development, has a number of ongoing projects related to crop production, livestock and breeding, fish farming, agro processing, education and employment and green initiatives. Among others, the Federal Government launched the following programmes to support and develop the agriculture sector:

- ***Growth Enhancement Support Scheme and Electronic Wallets:*** The Growth Enhancement Scheme was set up to register smallholder farmers, and provide targeted input subsidies whereby farmers gain improved access to fertilisers and seeds. The Growth Enhancement Support Scheme aims to increase agricultural productivity by raising fertiliser consumption and increasing the use of improved seed varieties.

- ***The Agricultural Transformation Agenda***: In 2011, the Federal Government launched the Agricultural Transformation Agenda, with the aim of transforming the agricultural sector to create jobs and wealth and ensure food security. Reforms under the Agriculture Transformation Agenda helped to create more direct farm jobs, increase national food production of maize, rice and cassava and thus reduced Nigeria's food import bill.

- ***The Presidential Fertiliser Initiative****:* The initiative is aimed at ensuring domestic capacity for production of fertiliser, specifically NPK 20:20:10, to deliver fertiliser to farmers ahead of the wet farming season.

9 Fitch Solutions 2021.Q2 Nigeria Petrochemicals report

10 AfricaFertiliser.org and IFDC, Fertiliser Statistics Overview Nigeria 2015 - 2019, 2020

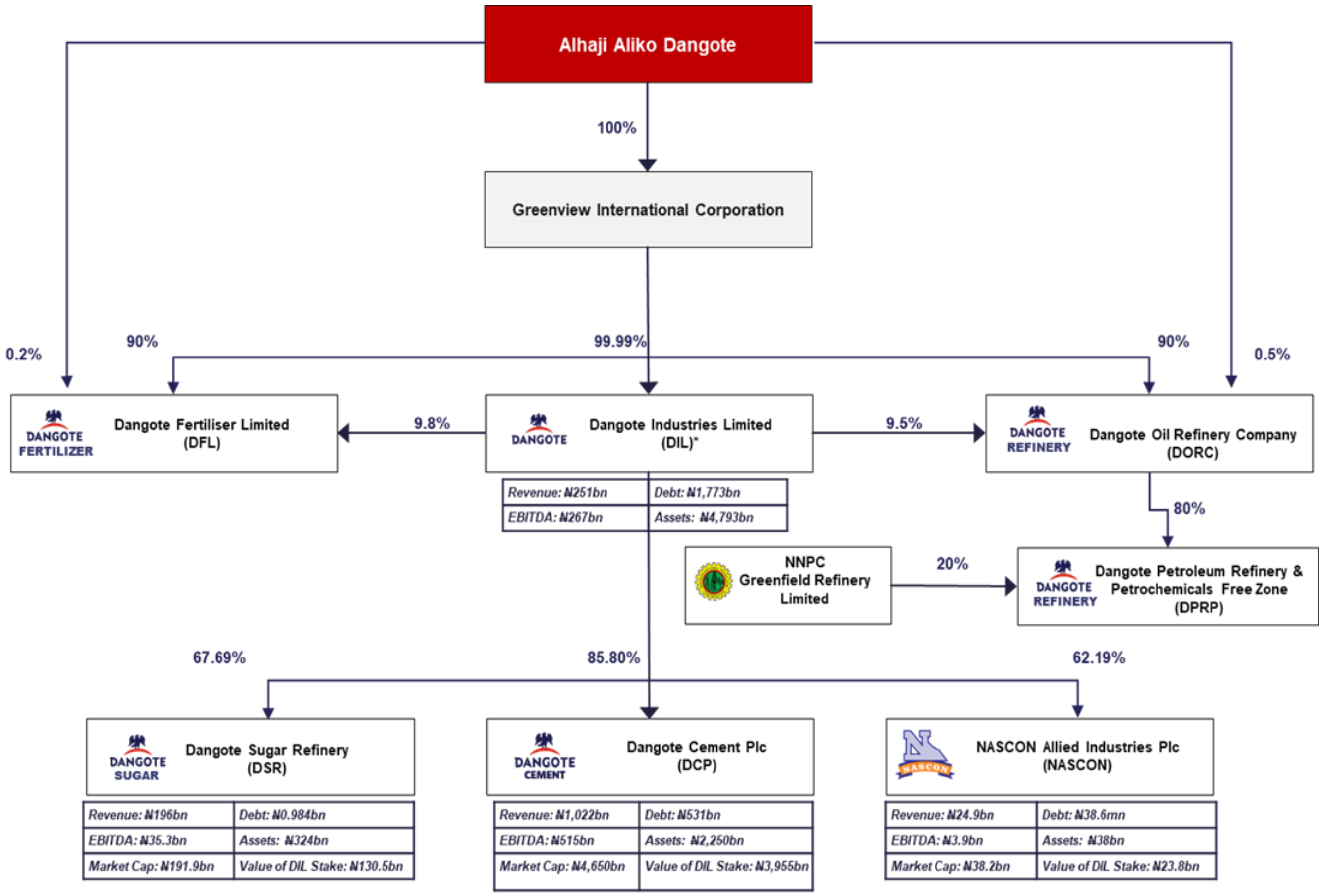
15. DANGOTE INDUSTRIES LIMITED

15.1 OPERATING OVERVIEW

The Company was incorporated on April 18, 1985 as a holding company that synergies the operation of entities within the Dangote group.

DIL is a diversified and fully integrated conglomerate with operations in Nigeria and Africa across a wide range of sectors, including cement, sugar, salt, condiments, packaging, energy, fertiliser, and petrochemicals. Its core business focus is to provide local, value-added products and services that meet the "basic needs" of the African populace through the construction and operation of large-scale manufacturing facilities in Nigeria and across Africa. DIL is focused on building local manufacturing capacity to generate employment, reduce capital flight outside of Africa and increase local value additions.

DIL estimates that it is the largest manufacturer of cement in Nigeria, Sub-Saharan Africa's largest cement market, with a combined 35.3 Mtpa capacity. In addition, with a refining capacity of 1.49 Mtpa, its sugar refinery facility is one of the largest sugar refineries in the world. DIL is also one of Nigeria's largest salt and seasoning manufacturers. Following the completion of the Dangote Petroleum Refinery Project ("**DPRP**"), which is currently scheduled to commence operations in the first half of 2023, it is expected that DPRP will be Africa's largest oil refinery and the world's largest single-train facility based on production capacity.



Source: Market Cap as Capital IQ as at March 10, 2022[11]

The following are our key businesses:

[11] Financials are as at September 30, 2021 (unaudited).

- ***Dangote Cement***: Our subsidiary, Dangote Cement Plc ("**Dangote Cement**" or "**DCP**") is Sub-Saharan Africa's leading cement producer with operations in ten African countries in Sub-Saharan African. Dangote Cement is a fully integrated quarry-to-customer producer with a capacity of up to 51.6 Mtpa across Africa as at 2021. Dangote Cement has operational facilities in Nigeria, Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia. Together, these operations make us the largest cement producer in Sub-Saharan Africa. For the period ended September 30, 2021, Dangote Cement contributed ₦1,022 billion to the Group revenue, representing 77.8% of the Group revenue and ₦514.8 billion to the Group EBITDA, representing 90.2% of the Group EBITDA.

- ***Dangote Sugar***: Dangote Sugar Refinery Plc ("**Dangote Sugar**") commenced business in March 2000 as the sugar division of DIL. Dangote Sugar is a leading player in the Nigerian sugar industry, driven by its 1.49 Mtpa refining capacity and warehouses strategically located across Nigeria to serve all of its target markets. For the period ended September 30, 2021, Dangote Sugar contributed ₦196 billion to the Group revenue, representing 14.9% of the Group revenue and ₦35 billion to the Group EBITDA, representing 6.3% of the Group EBITDA.

- ***NASCON:*** NASCON Allied Industries Plc ("**NASCON**") is Nigeria's leading refiner and distributor of household, food processing and industrial use salt, with an installed production capacity of about 735 thousand tonnes per annum. While salt remains NASCON's largest product, accounting for approximately 1.9% of NASCON's revenue for the year ended December 31, 2021, NASCON's product portfolio has evolved over the years to include seasonings, and tomato paste. For the year ended December 31, 2021, NASCON contributed ₦25 billion to the Group revenue, representing 1.9% of the Group revenue and ₦4.6 billion to the Group EBITDA, representing 1.3% of the Group EBITDA.

- ***Dangote Refinery***: Through our subsidiary, Dangote Oil Refining Company Limited ("**DORC**"), we have undertaken construction of an integrated crude oil refinery and petrochemical plant, the DPRP. The DPRP is a 650,000 b/pd integrated refinery project under construction in the Lekki Free Zone near Lagos, Nigeria. Not only is the DPRP expected to be Africa's largest oil refinery and the world's largest single-train facility based on production capacity, but the project will include a pipeline infrastructure and its own 400 MW power plant to enable it to be completely independent of any national grid. The majority of the DPRP's products will be high value transportation fuels, including gasoline, kerosene and diesel, as well as polypropylene. Scheduled to commence stable operations in the first half of 2023, the DPRP is expected to meet substantially all of the Nigerian requirement of all refined products and to have a surplus of each of its products for export around the world. The DPRP is of competitive complexity in relation to peer refineries in Africa as well as other global refineries as it will be the only Tier 3 refinery (a refinery configured to maximize output while producing little or residue oil) in the region.

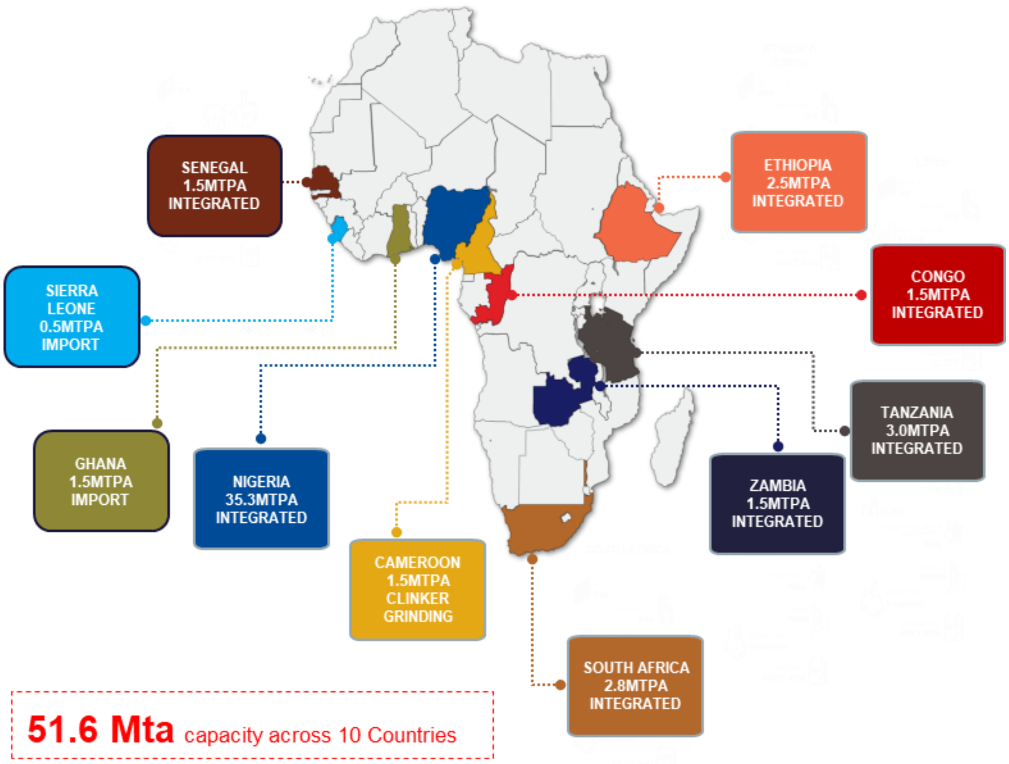
- ***Dangote Fertiliser***: Through our subsidiary, Dangote Fertiliser Limited ("Dangote Fertiliser"), we have commenced construction of our fertiliser facility project (the "DFL Project"). The DFL Project is a natural gas-based granulated urea fertiliser manufacturing facility project. The fertiliser complex project is located at the Lekki Free Zone, in Lagos State, Nigeria. Following the completion of the project, Dangote Fertiliser will have the capacity to produce up to 2.8 Mtpa of urea fertiliser. This capacity will later be expanded to produce multiple grades of fertilisers to meet soil, crop and climate-specific requirements for the African continent. Once complete, Dangote Fertiliser is expected to have the largest fertiliser plant in West Africa, based on production capacity. As of May 2021, DFL commenced commercial operations and has achieved a total production of approximately 347,000 tonnes as at December 31, 2021.

15.2 BUSINESS DESCRIPTIONS

15.2.1 DANGOTE CEMENT PLC

Dangote Cement PLC ("**DCP**" or "**Dangote Cement**") has a production capacity of over 51.6 Mtpa across ten countries in Sub-Saharan Africa. DCP has integrated factories in 7 (seven) countries, a clinker grinding plant in Cameroon and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make DCP the largest cement producer in Sub-Saharan Africa. As at September 30, 2021, DCP contributed ₦1.02 trillion (US$2.3 billion equivalent) to the Group's revenue, representing 77.8% of the Group revenue and ₦514.8 billion (US$1.17 billion equivalent) to Group EBITDA, representing 90.2% of Group EBITDA

Its operations span across 10 (ten) countries in Sub-Saharan Africa with integrated factories in Nigeria, Republic of Congo, Ethiopia, Senegal, South Africa, Tanzania and Zambia, a clinker grinding plant in Cameroon and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make DCP the largest cement producer in Sub-Saharan Africa. Nigeria is DCP's largest production site and its main market, accounting for approximately 63.8% and 71.4% of DCP's total production volume and revenue as at September, 2021. DCP's Pan-African operations accounted for approximately 36.2% and 28.6% of total production volume and revenue respectively as at September 30, 2021.



DCP's primary business activity is the manufacture and marketing of cement products. In Nigeria, DCP's main market, DCP primarily sells Cement II-al ("**CEM II-al**"), cement at 42.5-strength. The 42.5-strength cement is suitable for a wide range of applications including block making, high-rise buildings and some infrastructure. Dangote Cement also manufactures Cement I ("**CEM I**") type cement at strength grade 52.5 for heavy load-bearing infrastructure such as bridges, dams and high-rise buildings. DCP's focus areas are higher efficiency in limestone, laterite and other minerals beneficiation, reducing emission levels (in terms of dust, noise and other forms of pollution) across its value chain, optimized limestone and other material mix, amongst others.

In 2018, DCP launched 2 (two) new products into the Nigerian market: Falcon and BlocMaster. Falcon is a 32.5-strength cement that addresses needs at the lower end of the market, where strength is less of a requirement. As such, it is ideal for applications such as single-story houses, walls, mortaring and driveways.

BlocMaster is a premium 42.5R grade of cement within the 42.5-strength class of cement, setting rapidly to provide excellent early strength after one day, and superior strength after 28 days. It is ideal for block makers, enabling them to turn their moulds quicker than with other products. Dangote Cement now produces it products across all of its African regions, focusing on products suited to local needs and strength classes. Dangote Cement has an increased range of product positioning it strongly to meet the growing and changing demand for building materials in Sub-Saharan Africa.

Beyond Nigeria, DCP pursues similar strategies to reach wholesalers, distributors, and retailers, with the overwhelming proportion of cement sales in each country being in 50-kilogram bags; and generally do not have distribution depots across our Pan-African operations and sell our products directly from our production and processing facilities (either with delivery included or for collection by customers) as well as through distributors and retailers.

In Pan-Africa, the COVID-19 pandemic lockdown measures started at the end of March 2020 and peaked in April 2020. The response by the authorities varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for non-essential businesses. DCP's operations in South Africa, Congo and Ghana were shut down due to full or partial lockdowns in most of April 2020. By early May 2020, lockdown measures had eased, and all DCP's businesses were operational.

Despite the lockdown measures enforced across our counties of operations, DCP delivered strong results at the end of 2020. DCP's operations in Nigeria recorded high sales volumes at 15.9 Mt, growing by 12.9% to ₦719.7 billion compared to the year ended 31 December 2019. The strong performance was sustained by robust volume growth coupled with cost saving measures which led to the achievement of a 16.7% growth in EBITDA. In addition, the increase in domestic and export volumes resulted in stronger fixed cost absorption for the Nigeria operations. For its Pan-Africa operations, sales volumes grew by 4.4% to 10.0Mt despite lockdown and restrictions in 2020, delivering revenue of ₦318.7 billion and record high EBITDA of ₦71.3 billion which grew by 12.7% and 49%, respectively. We recorded resilient performance in Senegal as well as volume growth in Ethiopia, Congo and Cameroon.

15.2.2 DANGOTE SUGAR REFINERY PLC

Dangote Sugar Refinery PLC ("**Dangote Sugar**") commenced business in March 2000 as the Group's sugar division and was incorporated in 2006. Headquartered in Lagos, Dangote Sugar currently has 3 (three) subsidiaries, namely:

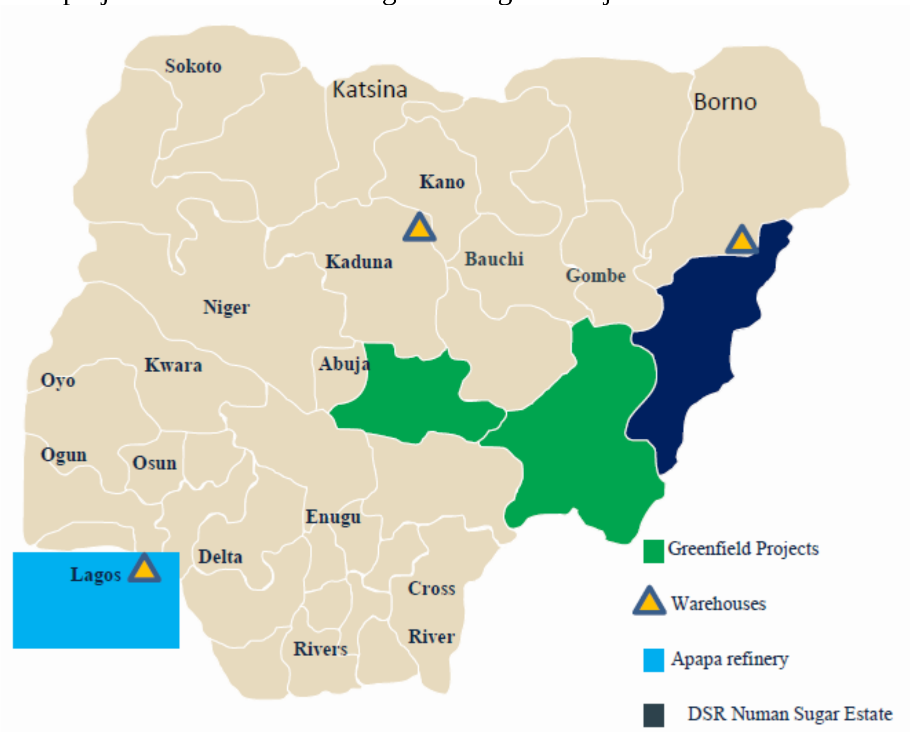
i. Nasarawa Sugar Company Limited;
ii. Dangote Taraba Sugar Limited; and
iii. Dangote Adamawa Sugar Limited.

Dangote Sugar is a leading player in the Nigerian sugar industry, driven by its 1.49 million tonne per annum refining capacity and warehouses strategically located across the country to serve target markets. Dangote Sugar is currently listed on the Nigerian Exchange Limited. the Company currently holds a 67.69% ownership stake in Dangote Sugar.

For the period ended September 30, 2021, Dangote Sugar contributed ₦195.5 billion (US$444 million equivalent) to the Group's revenue, representing 14.9% of the Group revenue and ₦35.3 billion (US$80 million equivalent) to Group EBITDA, representing 6.2% of Group EBITDA.

Dangote Sugar's sugar products include Vitamin A fortified granulated white sugar and non-fortified granulated sugar. It also provides finished sugar products, sugar cane sugar, and refined sugar products, among others to its customers. In addition, Dangote Sugar provides services such as sugar refining, cultivating, logistics, private label packaging, and export sales operations. Dangote Sugar offers its sugar products through distributors located across Nigeria. Dangote Sugar is a major supplier of refined sugar to consumers and industrial markets in Nigeria with a market share of c.60%, and strategically positioned to serve the regional markets through exports of its finished products.

Dangote Sugar's operations comprise the refining of raw sugar imported from Brazil to make high quality Vitamin A fortified and non-fortified granulated white sugar, the marketing and distribution of our refined sugar grades, the cultivation and milling of sugar cane to finished sugar from farm assets and the development of greenfield projects in line with its "Sugar for Nigeria Project".



The following table sets forth Dangote Sugar's sales volume, production volume and revenue in 2019, 2020, 2021 and the three months ended March 31, 2022.

	Year ended December 31, 2019	**Year ended December 31, 2020**	**Nine months ended September, 2020**	**Nine months ended September, 2021**
		(₦ billion, except as specified)		
Sales Volume (*million tonnes*)	684,487	731,701	569,079	608,447
Production Volume (*million tonnes*)	654,072	743,858	569,043	565,251
Revenue	150.4	214.2	190.4	195.5

Dangote Sugar Refinery

Dangote Sugar's sugar refinery (the "**Dangote Sugar Refinery or** "**DSR**") is a world class facility with a capacity of 1.49 Mtpa headquartered in Apapa, Lagos. The facility, commissioned in 2000, was the first sugar refinery built in Nigeria, with an initial refining capacity of 600,000 tonnes per annum.

The Dangote Sugar Refinery produces Vitamin A fortified and non-fortified refined granulated free flowing crystal white sugar, packaged and distributed as fortified, in 50kg bags, and 1kg, 500g, and 250kg sachets and as non-fortified, in 100kg and 50kg, bags; all sold under the brand name "Dangote Sugar". Over the years, the Dangote Sugar Refinery has undergone two major upgrades, following which it is one of the largest sugar refineries in the world in terms of refining capacity.

15.2.3 NASCON ALLIED INDUSTRIES PLC (“NASCON”)

NASCON is Nigeria's leading refiner and distributor of household, food processing and industrial use salt. NASCON, formerly known as National Salt Company of Nigeria, was incorporated in 1973 by a joint venture between the Federal Military Government of Nigeria and Atlantic Salt & Chemical Incorporated as a salt refinery. National Salt Company of Nigeria was established as a salt refinery at Ijoko, Ogun State in 1973, to address the identified need for Nigeria's self-sufficiency in the production of salt, an essential commodity. Construction for the refinery commenced in October 1974 with the refinery completed in December 1975 and erection of plants and machinery in August 1976.

National Salt Company of Nigeria was privatized in 1991 with its shares listed on the Nigerian Stock Exchange (now NGX) in October 1992, through which DIL purchased a majority of its shares. Following the reverse takeover of NASCON by Dangote Salt Limited ("**DSL**") in 2007, NASCON acquired the assets, liabilities and business undertakings of f DSL. NASCON has evolved into Nigeria's leading salt refiner and distributor of household, food processing and industrial use salt, with an installed production capacity of over 700 KT per annum. The Group currently holds a 62.19% ownership stake in NASCON. For the period ended September 30, 2021, NASCON contributed ₦24.9 billion (US$56 million equivalent) to Group revenue, representing 1.9% of Group revenue and ₦4.6 billion (US$10.4 million equivalent) to our Group EBITDA, representing 1.3% of Group EBITDA.

NASCON's strategic plant and depot locations with efficient warehouses in tactical locations across Nigeria ensures its extensive coverage of the Nigerian market. NASCON has production facilities in Lagos State ("**Apapa**" and "**Oregun**"), Ogun State ("**Ota**") and Rivers State ("**Port Harcourt**") which have a combined capacity of approximately 600,000 metric tonnes per annum.

In 2011, the Group made a strategic decision to grow NASCON through new product lines. A change in the name of the company in 2014 (to NASCON Allied Industries from National Salt Company of Nigeria) sought to reflect this new positioning. NASCON's seasoning production commenced in the second half of 2015 and was further expanded with additional product lines in 2018 and 2019. Its spices and mixes product lines were launched in December 2018.

The Port Harcourt refinery located in the seaport in Rivers State was commissioned in 2003 and has an installed capacity of 210,000 metric tonnes per annum. NASCON produces iodized edible salt in 50kg packages at its Port Harcourt plant. The Oregun plant was commissioned in 2004 with an installed capacity of 82,000 metric tonnes per annum of refined salt; this was decommissioned in 2021 with the commissioning of Salt Village. The seasoning plant was commissioned in 2014 with installed capacity of 9,357 metric tonnes per annum.

In 2021, NASCON expanded and commissioned a new salt refinery. The new refinery, called the Salt Village Refinery (the "**Salt Village Refinery**"), has a production capacity of circa 250,000 metric tonnes per annum. The NASCON plants are primarily powered through the National Grid with Caterpillar generators fueled by gas or diesel, with combined capacity to generate 6.1 MW of power.

In terms of products, NASCON has a wide variety of products which it manufactures and offers to consumers, including salt retail packs sold under the brand name Dangote Refined Salt, seasoning, spices and mixes sold under the brand names Dan-Q, Dangote Classic Seasoning, Dangote Stew Mix and Dangote Curry. With a diversified product offering spanning the commercial, corporate and retail segments of the market, NASCON's key revenue drivers are Edible Salt, Pure Dried Vacuum (PDV) Salt and Refined Sachet Salt.

15.2.4 DANGOTE FERTILISER LIMITED

Dangote Fertiliser Limited (DFL) was incorporated on August 3, 2007 to engage in the manufacturing and distribution of fertilisers and implement the Dangote Fertiliser Project (the "**DFL Project**"). which is a natural gas-based granulated urea fertiliser manufacturing facility project.

The DFL Project is located at the 2,635-hectare Dangote Industries Free Zone (adjacent to the Lekki Free Zone) and consists of a complete process plant based on the use of natural gas as feedstock for the production of (i) 4,400 metric tonnes per day ("**MTPD**") of ammonia through two trains with production capacity of 2,200 MTPD each- the biggest fertiliser plant in Africa, which (ii) translates to 8,000 MTPD of urea through two urea manufacturing plants with capacity of 4,000 MTPD each, (iii) includes two granulation trains with capacities of 4,000 MTPD each, and (iv) also includes various other utilities.

Construction of the DFL Project commenced in 2013, when we entered into an EPC contract with SAIPEM spa, one of the top engineering companies in the world with a high reputation in the erection of fertiliser plants globally and also with Saipem Contracting Nigeria Limited for the license, design, construction, testing, Commissioning and completion of the DFL Project's fertiliser plant.

Following the completion of Phase 1 of the project, which is estimated to cost US$2.5 billion, the DFL Project will have the capacity to manufacture 2.8 Mtpa of urea fertiliser. This capacity will later be expanded to produce multiple grades of fertilisers to meet soil, crop and climate-specific requirements for the African continent. Once complete, the DFL Project will be the largest fertiliser plant in West Africa in terms of production capacity.

The DFL Project's main objective is to monetize a portion of Nigeria's abundant natural gas supplies to meet fertiliser demands for the domestic and international markets. The agricultural sector currently contributes about 30% to Nigeria's GDP and remains the largest employer of labor in the country. The situation is similar in most parts of Africa. With increasing population density and average farm size, the average fallow time (the time a piece of farmland is rested from cultivation to enable natural restoration of soil fertility) has been reduced out of necessity considerably giving rise to increase need for fertiliser application.

As of December 31, 2020, the DFL Project had achieved overall physical completion and commenced undergoing testing for its operations. As of December 31, 2021, DFL commenced commercial operations and reached a total production of approximately 347,000 tonnes. As of and for the nine months ended September 30, 2021, DFL had contributed ₦29.9 billion (US$67.9 million equivalent) to the Group's revenue, representing 2.3% of the Group revenue and ₦8.78 billion (US$19.9 million equivalent) to Group EBITDA, representing 1.5% of Group EBITDA.

The principal raw materials we use in the production of ammonia and urea fertiliser are natural gas, chemicals and catalysts, water and packing materials. Natural gas is the primary raw material required for our operations. As such, we have ensured our natural gas supply through a 20 years supply agreement with Chevron.

Nigeria has the largest natural gas reserves in Africa. Natural gas is the key raw material of DFL's ammonia plants. Through a 20-year contract with Chevron and the Nigerian Petroleum Development Company Ltd. ("**NPDC**"), DFL is expected to receive 200 million standard cubic feet per day of assured natural gas through a gas pipeline. The combined capacities of the gas suppliers, their reputation and the nature of the contracts will ensure steady supply of gas, the basic raw material, and greatly mitigate raw material availability risk.

The remaining raw materials required for our production of ammonia, such the chemicals and catalysts are procured through imports and received by DFL through the dedicated jetty located also at the Lekki Free Zone. The water supply is sourced through intake channels, while the necessary packaging materials are procured locally.

Ammonia, a colorless gas, is a building block for industrial chemicals and nitrogen fertilisers and can be applied as direct fertiliser. It is manufactured by combining nitrogen from air with hydrogen produced by reforming a hydrocarbon feedstock, usually methane in the form of natural gas, in the presence of steam. Ammonia is then reacted with carbon dioxide to produce urea and the overall process is integrated to maximize overall heat efficiencies consistent with safe and reliable plant operability.

15.2.5 Dangote Oil Refining Company Limited

Dangote Oil Refining Company Limited was incorporated on 23 January 2007 to undertake the Dangote Petroleum Refinery Project ("DPRP"), a 650,000 b/pd integrated refinery project under construction in the Lekki Free Zone near Lagos, Nigeria. The DPRP is expected to be Africa's largest oil refinery and the world's largest single-train facility based on production capacity. In addition to the oil refinery and petrochemical plant, the DPRP includes the following supporting facilities:

- eight gas turbines, each capable of generating 34.5 MW/110 tonnes per hour steam;
- 153 tanks (total capacity of 4 billion liters or 47 days throughput);
- truck and ship loading facilities;
- 570 MW capacity independent power plant (IPP) which allows the refinery to be completely independent of any national grid;
- two crude single point moorings (SPM) for unloading ships from Aframaxto Ultra Large Crude Carrier (ULCC);
- three product SPM’s for exports to Suez Max vessels;
- two 48 inch subsea crude pipelines with interconnection;
- four 24 inch subsea pipelines for products and imports; and
- approximately 120 km subsea pipeline.

DORC and the DPRP is designed to meet 100% of the Nigerian requirement of all refined products and will also have a surplus of each of its products for export to neighboring West African countries. It is designed to process Nigerian crude oil with the ability to also process other crudes into high value product providing a competitive edge against older refineries in the region.

The DPRP is located on the Dangote Industries Free Zone, a designated industrial zone located on the Lekki Peninsula in the Ibeju-Lekki Local Government Area in south-eastern Lagos State. The Dangote Industries Free Zone is approximately 2,635 hectares in land size and situated adjacent to Lekki Free Zone and Lagos Free Zone, with the Atlantic Ocean to the south and the Lekki Lagoon to the north. In addition to the refinery complex, the project site includes Dangote Fertilizer's facility. We have signed a long-term lease with the Lagos State Government for the land on which the Dangote Industries Free Zone is situated. The DPRP will have crude oil processing capacity of 650,000 bpd in order to achieve quality refined petroleum products and position Nigeria as a net exporter of refined petroleum products and petrochemicals.

As of December 31, 2021, the DPRP had reached 94% completion and will reach mechanical completion by end of 2022. We will undertake the commissioning and ramp up operations from the first half of 2023. Post completion, the DPRP will become the dominant fuel supplier in Nigeria, with the ability to export to the West & Central Africa, Europe and South America.

The DPRP is designed to process most of the African crude oils, as well as certain Middle Eastern and American crude oils. The majority of the DPRP's products are expected to be high value transportation fuels, including gasoline, kerosene and diesel, as well as polypropylene. The table below represents the daily output of the DPRP's various products.

Products	Tonnes per Day
Gasoline	33,571
Kerosene/Jet Fuel	14,849
Diesel	15,197
Polypropylene	1,980
Propane/LPG	717
Sulphur	80
Bunker Fuel	3,000
Fuel & Loss	5,144
Total	**74,538**

The DPRP will have flexibility to direct most of its kerosene/jet fuel output into its diesel production, if desired. It can also regulate its output between gasoline and diesel to better match market demand.

Manufacturing and Production

The DPRP comprises a number of processes and technologies that are well proven in other operating refineries around the world. Its relatively high Nelson complexity index of 9.5 as a result of its capability to refine crude into mostly high value products, provides it with a strong competitive edge against older refineries in the region. The DPRP will utilize complex technology (RFCC and hydrocracker units) comparable to the top quartile of global refineries, belonging to the category of largest and most complex global refineries.

A key component to the DPRP's success is its independent power infrastructure, which allows the refinery to be completely independent of any national grid and its additional redundancies have been built in to provide stability in case of unexpected outages. The power infrastructure includes the construction of eight gas turbines and four steam turbines combined for a total of 570 MW of power generation.

We anticipate that we would be securing the requisite agreements with the key local and major foreign feedstock providers as there has been increasing interest from off-takers and feedstock suppliers (including NNPC) in the DPRP. However, we are yet to reach formal agreements with any such parties.

16.2.6. Corporate social responsibility, employee safety and environmental safeguarding

Corporate Social Responsibility

The heart of our mission is to build prosperity and self-sufficiency across Africa. We operate on seven pillars of sustainability ("**7 Pillars of Sustainability**"), which reflects our personal commitment to building a socially responsible and impactful business that serves all stakeholders. The 7 Pillars of Sustainability are:

i. *Financial*: For a diverse group like ours, it is essential that we bolster the financial performance of our businesses using value driven techniques in keeping our strategies relevant.

ii. *Social*: We engage with our employees to create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment.

iii. *Cultural*: We embody our core values in our way of doing business, including respect for cultural diversity. To achieve this, we actively encourages teamwork, empowerment, inclusion, and equity.

iv. *Institutional*: We strive to build a world-class institution cantered around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency and business continuity.

v. *Economic*: We promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialization in Nigeria and across Africa, by establishing efficient production facilities and developing resilient local economies.

vi. *Environmental*: We create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change.

vii. *Operational*: We serve and satisfy our markets by working together with our partners to deliver the best products and services to our valued customers and stakeholders, through continuous product improvement and new business development.

The Group further invests in community through the activities of the Aliko Dangote Foundation. The Aliko Dangote Foundation engages in a number of activities intended to spur economic development such as supporting women-owned businesses in Kwara State, giving endowed funds to Ahmadu Bello University, and managing food bank programs in Zamfara State, Nigeria.

Health, Safety, Social and Environmental Matters

Similar to other companies operating our numerous industries, our activities may have an adverse impact on the environment due to emission of pollutants into the atmosphere, discharge of wastewater effluents and the generation of waste that needs to be disposed of or reused without material damage to the environment or local communities.

We are committed to adopting the International Finance Corporation's ("**IFC**") Performance Standards on Environmental and Social Sustainability, which were published in 2012. These standards, in conjunction with the World Bank Group sector guidelines, define a set of requirements relating to environmental and social management, workforce labor conditions, pollution prevention and control, community safety, land acquisition and resettlement, biodiversity conservation, indigenous people and cultural heritage, that are expected to be applied when new projects are developed.

We believe that sound environmental and social management, together with a proactive approach to addressing the challenges and opportunities of climate change, is fundamental to making our business sustainable. We are committed to the implementation and maintenance of the International Industrial Standards on Environmental Management System (EMS) which is designed to ensure a systematic approach to environmental management. For example, our cement business continues to improve on compliance with relevant laws and regulations and implementing applicable standards, including ISO 45001:2018 (Occupational Health & Safety) and sought the ISO 14001:2015 EMS certification in 2020 to provide an external assurance for our existing environmental management systems. We are also committed to complying with the applicable legal requirements with a view to providing a sustainable environment for the manufacturing, packaging and sales of products.

Our management believes that our operations are in compliance in all material respects with the requirements of the applicable environmental legislation in each country where we operate and that we have the necessary environmental permits, agreements and licenses in all jurisdictions where it has operations.

We conduct environmental and social impact assessment studies before operating our plants and also carry out periodic environmental monitoring and routinely review the site compliance against Group Policies and Management Standards and regulatory requirements, in line with the Group wide Health, Safety, Social and Environmental ("**HSSE**") Management System framework developed in 2016 based on the IFC Performance Standard 1. Typically, our assessment across our operations would cover aspects which may result in potentially significant risks, as summarized in the table below.

HSSE Aspects	DORC	DFL	DCP	DSR	NASCON
Energy Consumption	■	■	■	■	
Water Consumption	■	■		■	
Air Emissions and Ambient Air Quality	■	■	■	■	
Green House Gas (GHG) Emissions	■	■	■		
Wastewater and Surface/Ground Water Quality	■	■		■	
Noise and Vibration	■	■	■	■	
Hazardous and Non-Hazardous Waste	■	■		■	
Land use & Biodiversity			■	■	
Hazardous Material Management	■	■		■	
Traffic	■		■	■	■
Occupational Health and Safety	■	■	■	■	■
Land Acquisition & Compensation			■	■	
Community Health, Safety and Security	■	■	■	■	

We also seek to ensure that all of our plants, refineries and facilities are issued environmental/social impact assessment permits as and when required by the applicable local legislation. In order to sustain such commitment, we defined a group wide Health and Safety, Social and Environmental monitoring system in line with the Group 'HSSE Performance Reporting' Standard in 2018. This has been progressively implemented by all the businesses within the group. This has continuously improved the level of environmental compliance of all operations.

We are subject to a general risk of accidents involving heavy equipment, machinery, structures, explosives and hazardous materials used in the industries we operate. Health and safety management is a key priority for our Group. We are committed to the implementation and maintenance of an Occupational Health and Safety Management System.

15.3 COMPETITIVE ADVANTAGES

Leading African conglomerate with world-class businesses across key diversified sectors in Nigeria and West Africa including cement and construction, food and beverages and oil and gas

DIL is a diversified and fully integrated conglomerate with interests that span a range of sectors in Nigeria and across Africa serving diverse essential population needs through a broad product portfolio which includes offerings in cement, sugar, salt, condiments, packaging, truck assembly, construction, energy and port operations as well as developing fertiliser and petrochemicals business lines. DIL has grown to become the largest and most diversified industrial conglomerate in West Africa and one of the largest in Africa, as of December 31, 2021.

Large scale and broad scope of operations

DIL's subsidiaries have strong market positions within their operating niches with established track records of market leadership. Dangote Cement is Sub Saharan Africa's largest cement manufacturer and currently operates in ten countries (top three positions in nine of these) with best-in-class margins. Dangote Sugar is the major supplier of refined sugar to consumers and industrial markets in Nigeria with a market share of about 60% while NASCON is the leading producer of edible and industrial salt in Nigeria, accounting for 76% of the bulk salt and 27% of the refined salt markets. Furthermore, NASCON scaled up its profit for 2020 by as much as 45.8% even though its gross sales marginally grew by 1.9% to ₦28 billion, triggering the company's sharpest jump in profit since 2017.

Each of DIL's business segments maintains a leading position by market share, production capacity and sales volumes for their respective regions and industries. This is particularly true for Dangote Cement's market position in Nigeria, which is DIL's biggest market across all of our present locations.

Leading business group in Africa with track record of building and managing thriving businesses as well as strategic opportunity identification

The Dangote Group was founded by Alhaji Aliko Dangote in 1978 and incorporated in 1985, and since then the Group has grown to become the largest and most diversified industrial conglomerate in West Africa and one of the largest in Africa, with annual group turnover in excess of ₦1.2 trillion (approximately US$3 billion) and a workforce of over 24,000. Over this time, the Group has demonstrated the ability to identify and embed in underserved sectors to develop domestic business champions which have significant economic impact and the potential to meaningfully reduce imports. Nigeria, for example, went from being an import market to achieving self-sufficiency in cement production and has become an export hub for West Africa largely due to the activities of Dangote Cement and its strategy to expand rapidly to serve the growing African cement market. DSR's Backward Integration Master Plan to produce 550,000 metric tonnes of sugar per annum by 2024 from local sources is intended to promote the development of a robust sugar export market in the country. NASCON, which began solely as a salt refining and distribution business, has since included seasoning within its product range. The DPRP is anticipated to be the leading fuels supplier in Nigeria with infrastructure to export to the rest of Africa and Europe, and DFL with approximately 75% of its fertiliser production to be sold in international markets is anticipated to become amongst the largest exporters in West Africa.

Vertical integration through successful value and supply chain management

Through significant investment in its portfolio, we have built links across the value chain, from sourcing and production through processing, storage, handling, transport and distribution. In doing so, we have developed the full logistics capabilities required to generate value-added margins and seek arbitrage potential at each stage of the supply chain. Our value-added services include production, storage, packaging, logistics, transportation across its existing business lines, and we expect to be able to offer these services to its petrochemical and petroleum as well as fertiliser plants. This broad range of vertical integration activities allows us to benefit from synergies and economies of scale in relation to all key transaction components resulting in increased efficiencies at every stage of the value chain.

Strong financials with significant cash flows and limited subsidiary debt as well as robust risk management framework

The Group has a strong financial profile with low leverage and significant operational scale across numerous sectors. Our EBITDA margin has historically been strong and stable through Dangote Cement, Dangote Sugar and NASCON. The Group’s total short-term debt is ₦277.7 billion with total long-term debt of ₦2,209 trillion. As of September 30, 2021, 80.22% of the Group’s our financial liabilities were borne at the Group level, with the remaining 19.78% held with DIL’s subsidiaries.

In addition, Dangote Cement has historically low leverage (0.55x as at December 31, 2020), high EBITDA margins (44.3% in 2019 and 46.2% in 2020) and has a high historical (and increasing since 2015) dividend payout to the Company. This will be further supported by the completion of the DFL Project, which commenced commercial operations in May of 2021 and has achieved a total production of approximately 347,000 tonnes as at December 31, 2021 and the DPRP, which reached 93% completion as of December 31, 2021 and is expected to commence commercial operations by Q12023. Both projects are expected to contribute substantially to the cashflows available for to service our debt.

We also maintain a comprehensive risk management framework supported by robust policies and procedures. Risk is a crucial consideration in our strategy, which is based on capturing margins coming from high volumes and value chain integration, with results consequently insulated from large market fluctuations due to proactive and prudent risk management. Risk procedures and monitoring systems are designed to be clear and prudent while seeking to allow optimal deployment of risk capital and we have an experienced Board Audit and Risk Management committee in place to provide oversight. We believe that its sound risk management policies have contributed to its positive performance through the volatile market environment over recent years and helped to mitigate earnings volatility.

Our Group's operations contribute to building Africa's economy through efficient large-scale investments in local production of commodities which meet people's basic needs. Specifically, in Nigeria, our existing (cement, sugar and salt) and planned product (i.e., fertiliser and refined petroleum products) offerings are positioned to boost production levels gearing towards self-sufficiency while increasing the potential for exports.

Strong Competitive Position in the Nigerian market

Through the various companies in our value chain, and their respective positions in Africa, particularly in Nigeria, DIL significantly contributes towards the economic development of Nigeria, the largest country in Africa in terms of population. The value-added services provided by the entities within the Group, which benefit from the synergies which exist amongst themselves, position the Group as a dominant player in the Nigerian market.

Strategy

DIL's core business focus is to provide local, value-added products and services that contribute to building Africa's economy and meet the 'basic needs' of the populace.

Leveraging presence and infrastructure at key locations with a focus on three broad areas: oil & gas, cement & construction, food & agriculture

- ***Oil and Gas***: DIL intends to become a leading integrated oil and gas player, with a particular focus on upstream production, refining and petrochemicals, and gas midstream. Through DIL's subsidiary, DORC, it is undertaking construction of an integrated crude oil refinery and petrochemical plant, the DPRP, which was 93% completed as of December 31, 2021 with commercial operations expected to commence by the first half of 2023.
- ***Cement and Construction***: DIL intends to maintain leadership in the African cement industry with particular focus on maximizing utilization of existing assets with new investments in attractive markets including building out the export strategy in both cement and clinker.
- ***Food & Agriculture***: DIL intends to become a leading agribusiness player directly and indirectly cultivating approximately 300 thousand hectares, with a particular focus on sugar and rice. This is expected to be achieved by investing in processes (including digital capabilities in all aspects of operations to improve efficiency), people (to resource the talent required to support growth) and governance to support the growing business portfolio.

Consistent expansion delivery with focus on key value adding projects that complement existing business

Through the construction and operation of large-scale manufacturing facilities in Nigeria and across several other African countries, we are focused on building local manufacturing capacity to generate employment, encourage local investment and provide locally produced goods to the population. We seek to create value socially and economically through partnerships, acquisitions, and investments that complement and enhance our existing business. Currently, we are constructing the largest petrochemical plant and fertiliser complex in Africa. The petrochemical plant would have the capacity to produce up to 840,000 tpa of Polypropylene and the fertiliser project is expected to produce 2.8 Mtpa of urea. We also intend to capitalize on organic growth opportunities to increase our production capacity, improve efficiency and extend the reach of its network. We believe we have a strong ability to source and structure transactions for the development of key projects using our commercial and strategic relationships and will continue to work to identify investment opportunities in which value can be created through the application of our market knowledge and operational and technical expertise. We typically assess acquisition targets for their compatibility with our existing asset portfolio and alignment with our long-term strategy.

Focus on organic investment strategy and methodical project delivery with proven capabilities

We have a strong track-record of building leading business ventures from inception, through a methodical and careful organic investment strategy. For example, in Dangote Cement, we have demonstrated our ability to consistently grow our revenue and our EBITDA through organic investment in existing and new cement capacity in Nigeria and have successfully replicated this strategy abroad with various capacity investments across under-served African markets. Dangote Cement has therefore grown to 51.6 Mtpa of capacity across seven countries, whilst Dangote Sugar now has 1.49 Mtpa of installed capacity across six locations. We intend to continue to apply the same investment strategy and rigor to deliver further large scale, complex national scale projects across it's the petrochemical and fertiliser businesses.

Ongoing commitment to prudent financial policy and capital structure

DIL intends to continue to manage its financial position to maintain healthy levels of liquidity and an efficient capital structure, in order to enable it continue accessing the bank and international debt capital markets on competitive terms. Our strong financial profile, including low leverage of 0.76x as well as EBITDA margin of 51% for the year ended December 31, 2020, gives us the capability to support growth and take advantage of opportunities that arise at a significant operational scale. We are committed to maintaining a prudent financial policy and view its access to alternative financing sources as a competitive advantage.

15.4 CORPORATE HISTORY

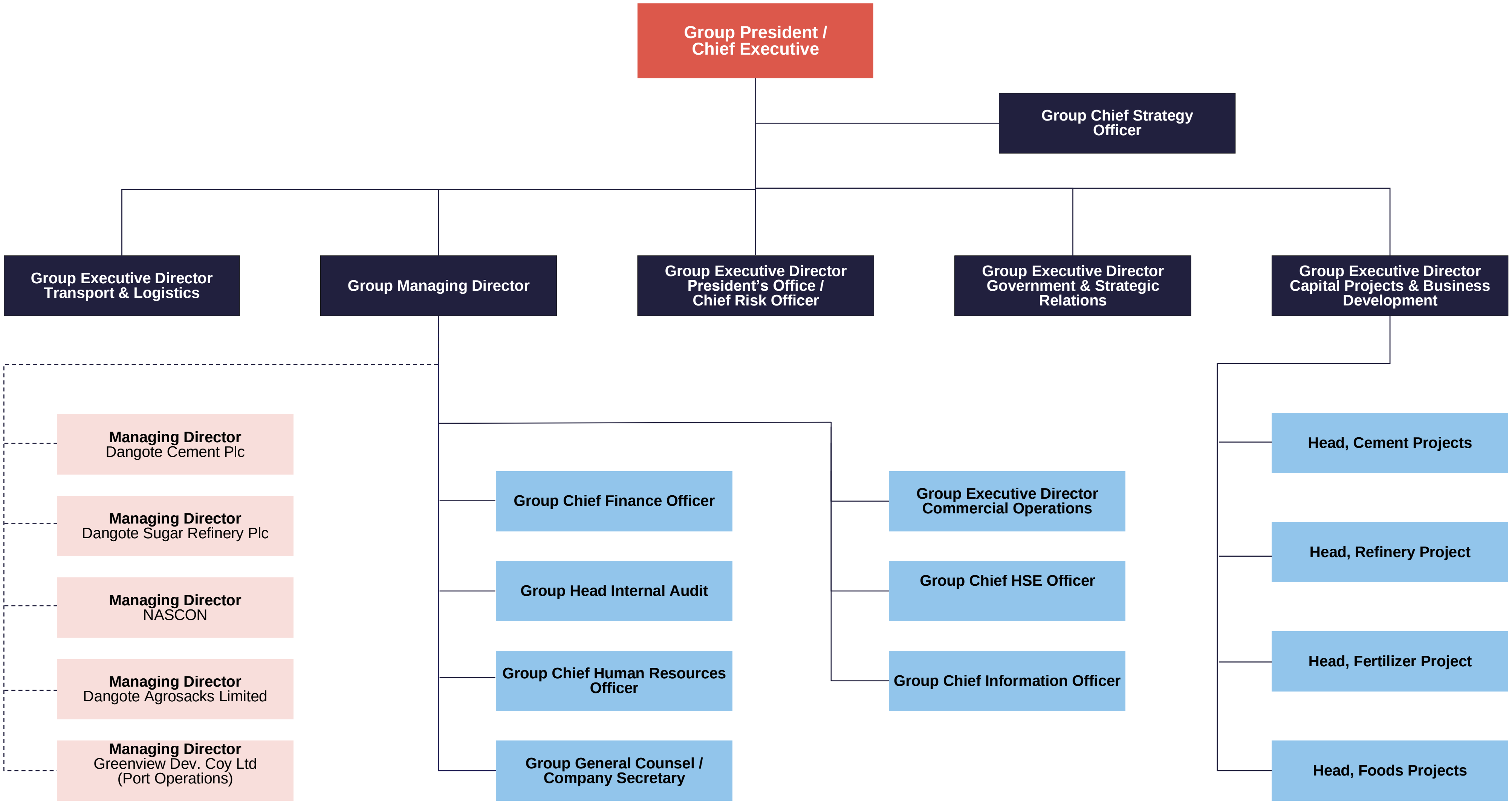
Originally established as a trading enterprise, importing sugar, cement, rice, fish, and other consumer goods for distribution in Nigeria, over the last 4 (four) decades DIL expanded into manufacturing and have systematically built its businesses to become a diversified and fully integrated conglomerate with interests that span a range of sectors in Nigeria and across Africa. The following paragraphs describe DIL's key development stages.

- *1970s and 1980s: We began our operations as a bulk commodity trading business.*
- In 1973, NASCON was established as a joint venture between the Nigerian federal government and Atlantic Salt & Chemical. In 1976, NASCON commissioned its first 110,000 metric tonnes salt plant.
- In 1981, our company was founded as a trading enterprise, importing sugar, cement, rice, fisheries, and other consumer goods for distribution in the Nigeria market.
- *1990s: Our business strategy evolved to a focus on manufacturing for import substitution.*
- In 1991, NASCON was privatized and acquired by the Group.
- In 1994, our founder, Alhaji Aliko Dangote, established the Dangote Foundation, the largest private foundation in sub-Saharan Africa with the largest endowment by an African donor.
- In 1998, we established the Dangote Agro Sack business line.
- *2000s: We pivoted to strategic asset acquisition and investment in backward integration to expand our product offering as well as drive self-sufficiency.*
- In 2000, we established our rice mill business as well as acquired a majority stake in Benue Cement Company Plc, which would later merge with Obajana Cement and become Dangote Cement.
- In 2000, Dangote Sugar commenced operations as a division of our Group.
- In 2001, MHF Properties (Dangote) was founded and NASCON commissioned the Apapa refinery with a production capacity of 275,000 Mtpa.
- In 2003, NASCON commissioned the Port Harcourt refinery, which has a processing capacity of 210,000 Mtpa.
- In 2004, NASCON commissioned the Oregun plant, which has a processing capacity of 82,000 tpa.
- From 2001 to 2004, Dangote Sugar commissioned a sugar refinery with a production capacity of 600,000 Mtpa in Apapa, Lagos, which was subsequently increased to a capacity of 1.44 million tonnes/per annum.
- In February 2005, our first cement production facility, the Gboko plant in Nigeria, commenced operations with an initial capacity of 0.45 Mtpa. The facility was subsequently upgraded to a capacity of 1.85 Mtpa in 2008, then to 2.8 Mtpa in 2011, and finally to 4.0 Mtpa in 2012.
- Between 2002 and 2010, we acquired Obajana Cement Plc and commenced the construction of a cement plant with a capacity of 5 million tonnes per annum. Additionally, we merged our cement operations with Benue Cement to form Dangote Cement and listed its shares on NGX.
- In January 2007, we opened our second integrated cement plant in Nigeria at Obajana, with an initial capacity of 3.9 Mtpa. The facility was subsequently upgraded to a capacity of 5.2 Mtpa in 2008, then further upgraded to a capacity of 10.25 Mtpa in 2012, and later to a capacity of 13.24 Mtpa in 2014.
- From 2006 to 2007, the Dangote sugar division spun-off to Dangote Sugar and was listed on NGX.
- In 2007, Nigeria became self-sufficient in cement production for the first time in history.

- *2010s: We consolidated our manufacturing base and made further investments into backward integration, pan-African expansion and new projects.*
- In 2010–2014, Dangote Cement expanded its Obajana plant to a production capacity of 10.25 Mtpa and opened a plant in Ibese with a production capacity of 6.0 Mtpa, as well as commissioning new plants in South Africa and Senegal.
- In 2012–2013, Dangote Sugar acquired a 95% stake in Savannah Sugar Company and began pre-project activities to produce 1.5-2.0 Mtpa refined sugar from locally grown sugar cane.
- In 2014, Dangote Cement expanded its capacity in the Obajana and Ibese plants to 13.25 Mtpa and 12 Mtpa, respectively.
- In 2014, AG Dangote Construction, our wholly owned construction business, was set up to execute the relevant aspects of our infrastructure investment strategy.
- In 2014, NASCON changed its name to NASCON Allied Industries and commissioned a seasoning plant with a capacity of 3,744 Mtpa. At that time, NASCON had a total installed production capacity of 567,000 Mtpa for its industrial salt products.
- From 2014–2017, Dangote Cement began production activities in eight additional African countries namely Senegal, South Africa, Zambia, Cameroon, Ethiopia, Sierra Leone, Tanzania and the Republic of Congo.
- In 2015, NASCON commissioned a tomato paste packaging plant with a capacity of 37,440 tpa and a vegetable oil refinery with a capacity of 156,000 tpa.
- From 2013–2019, the Dangote Petroleum Refinery Project and the Dangote Fertiliser Project raised US$5.5 billion debt funding, acquired land in the Dangote Free Trade Zone, and commenced the development of the fertiliser, refinery and petrochemical projects.
- In 2017, we formed a joint venture with Sinotruck to set up a plant to assemble trucks and cars in Nigeria. We also partnered with Transit Support Services Limited (TSS), the assemblers of Shacman truck in Nigeria.
- In 2020, Dangote Cement commissioned the Apapa Port Terminal and started clinker shipments with a capacity of 27,800 tonnes to Senegal with the goal to export 4 Mtpa. As of December 31, 2020, Dangote Cement has exported 197,000 tonnes (eight shipments) of clinker to West and Central Africa. In the same year, DCP completed its maiden bond issuance of N100 billion, which was the largest corporate bond issuance in Nigeria’s debt capital market at the time.
- In 2020, Dangote Sugar completed a merger with Savanah Sugar to enhance Dangote Sugar's backward integration plan ("BIP").
- In December 2020, NASCON commissioned a salt refinery ("Salt Village") with a production capacity of 250,000 tpa
- In 2021, the DFL Project commenced operations through its first production line with a capacity of 1,400,000 tpa.

DANGOTE GROUP ORGANOGRAM

The Group has a dynamic board of directors responsible for maintaining strong governance practices that ensure the business of each company within the Group is run effectively and in line with best practices



Name	Position	Portfolio
Aliko Dangote	Chairman	Group President / Chief Executive
Olakunle Alake	Executive Director	Group Managing Director
Devakumar V.G. Edwin	Executive Director	Capital Projects and Business Development
Abdu Dantata	Executive Director	Logistics and Distribution
Halima Aliko-Dangote	Executive Director	Commercial Operations
Mansur Ahmed	Executive Director	Government and Strategic Relations
Adenike Fajemirokun	Executive Director	Risk Management, Insurance & Procurement
Viswanathan Shankar	Non-Executive Director	N/A
Arnold Ekpe	Non-Executive Director	N/A
Emmanuel Ikazoboh	Non-Executive Director	N/A

DIRECTORS & SENIOR MANAGEMENT'S PROFILES

Aliko Dangote (GCON) – Chairman
Appointed April 12, 1985

Alhaji Aliko Dangote is the founder and chairman of DIL. He began his business career in 1978, trading in rice, sugar and cement, before he ventured into full-scale manufacturing. He was named Co-chair of the US-Africa Business Center, in September 2016, by the US Chamber of Commerce.

In April 2017, he joined the Board of Directors of the Clinton Health Access Initiative, which is helping countries build the systems necessary to provide health services to their people. Internationally, Mr. Dangote sits on the board of the Corporate Council on Africa and is a member of the Steering Committee of the United Nations Secretary-General's Global Education First Initiative, the Clinton Global Initiative, the McKinsey Advisory Council, and the International Business Council of the World Economic Forum.

He has been awarded several honorary doctorate degrees by universities in Nigeria and overseas.

Olakunle Alake – Group Managing Director
Appointed October 26, 2004

Mr. Alake is the Group Managing Director, a position he has held since 2018. Mr. Alake started his career with PriceWaterhouse, a firm of Chartered Accountants, in September 1984 and resigned in 1990 to join Liberty Merchant Bank Limited, a financial institution of the Dangote Group, as the Financial Controller. In August 1993, he was appointed Managing Director/Chief Executive of Liberty Merchant Securities Limited. He was the Management Consultant and part of the team that provided turn around services for a smooth take-over of International Trust Bank Plc by the Dangote Group in August 1996. In July 1997, he moved to the Group Corporate office as the Financial Controller and Head of Strategic Services. He was appointed to the Board as Executive Director and given the responsibility for the Group strategy in 2001. In January 2007, he was appointed the Chief Operating Officer (COO) of the Group.

Mr. Alake holds a bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria.

Devakumar V.G. Edwin – Executive Director
Appointed July 5, 1999

Mr. Devakumar V.G. Edwin is the Executive Director, Strategy, Portfolio Development & Capital Projects for the Dangote Group. He started his career in 1978 and he progressed to the level of Managing Director in 1989, in India. During his career in India in Industrial Management, his areas of focus were industrial engineering, cost reduction, human capital management, general management, and project management. He had executed industrial projects funded by the World Bank. Mr. Edwin joined the company in 1992 as a General Manager and was promoted to General Manager in 1994 and Executive Director (Projects) in 1998. In 2000, he became the Executive Director (Industries and Projects), with responsibility for supervising all the plants in the Group including the sugar refinery, cement terminal, salt plant, flour mills, pasta plant, packaging materials plant and textile mills. In 2002, he was moved to the position of Executive Director (Business Development) to oversee all the new projects. He was the Managing Director/CEO of Obajana Cement Plc from 2004 to 2006. He was formerly the Group Managing Director / CEO of Dangote Cement Plc prior to being appointed to his current position.

Mr. D.V.G Edwin holds a graduate and master's degree in Engineering from the Madras University in India and he is also a Chartered Engineer. He holds a Post Graduate Diploma in Management from IITM, Holland.

Abdu Dantata – Executive Director
Appointed July 5, 1999

Mr. Abdu Garba Dantata is the Executive Director in charge of Logistics and Distribution. He was the Executive Director, Sales & Marketing in the Dangote Group, a position he has held since the Group was established more than 20 years ago. Alhaji Dantata has responsibility for coordinating the sales and marketing of all products manufactured or imported by the Group. He is responsible for coordinating the distribution of the Group's products to reach every corner of the Nigerian market. He is the Chairman of Agad Nigeria Limited; a trading and transportation company operating throughout Nigeria. He has attended various training within and outside the country including the famous Kellogg School of Management, United

States of America. He is a fellow of the Nigerian Institute of Shipping.

Halima Aliko-Dangote – Group Executive Director
Appointed July 19, 2013

Haija Aliko-Dangote is the Executive Director Commercial Operations of the Dangote Group. She started her career as a Business Analyst with KPMG Professional Services in Lagos, Nigeria. She was formerly and an Executive Director, Sales, and Marketing, Dangote Flour, formerly a subsidiary of DIL. Halima Aliko-Dangote joined the company in 2008 and served as Special Assistant to the President & Chief Executive, with a broad range of responsibilities including providing technical support and advising on strategy and management decisions. As an Executive Director at DIL, she is responsible for enhancing the performance of DIL's various subsidiaries by ensuring shared services across companies; supporting capital raising initiatives; and putting in place, group-wide human resources and administration policies and systems. She is also responsible for new business development and project management, working closely with the President and other members of the Executive Team to develop geographic and sectoral expansion plans for the Group. Previously, she served as an Executive Director of NASCON, and now serves as a Non-Executive Director of NASCON. Ms. Aliko-Dangote is a graduate of the American Intercontinental University, London, United Kingdom, and Webster Business School, in the UK where she obtained an MBA. She has attended a number of high-profile leadership development programs including, the Programme for Leadership Development (PLD) at the Harvard Business School, Executive Development Programme at the Kellogg School of Management and Finance and Accounting for the Non-Financial Executive, Columbia Business School.

Mansur Ahmed – Executive Director
Appointed June 1, 2020

Engr. Mansur Ahmed is the Executive Director, Government and Strategic Relations. Engr. Mansur joined the company in 2013 as the Executive Director, Corporate Communications and Stakeholder Relations. Engr. Ahmed was the pioneer Director-General and Chief Executive Officer of the Infrastructure Concession Regulatory Commission of Nigeria (ICRC), until his retirement in 2012. He had a successful career at the Nigerian National Petroleum Corporation (NNPC), where he served in various capacities including Managing Director and Chief Executive. In addition, he served, at various times, on many national committees including the Nigerian Vision 2010 Committee; the Oil and Gas Sub-Committee of the National Privatisation Council; and the Committee on the Assessment and Monitoring of the Millennium Development Goals (MDGs). He was also part of the National Economic Management Team that conceptualized, developed, and implemented policies and strategies to attract long-term finance for infrastructure development in Nigeria, including for the Nigeria Sovereign Wealth Fund, Pension Fund, and Infrastructure Fund and some of the Institutional Funds. He belongs to several professional and board associations including the Nigerian Society of Engineers, Nigerian Institute of Management and the Institute of Directors of Nigeria and he is a non-executive member of the Board of Directors of several blue-chip companies. He has a first degree in Mechanical Engineering from Nottingham University (1972) and a master's degree in Industrial Engineering and Administration from Cranfield Institute of Technology (now Cranfield University 1975) both in the United Kingdom. He also has a post-graduate certificate in Investment Appraisal and Management of the Harvard Institute of International Development.

Adenike Fajemirokun – Group Executive Director
Appointed June 1, 2020

Dr. Adenike Fajemirokun is a Group Executive Director and the Chief Risk, Insurance and Procurement Officer of the company. A renowned Risk Management & Insurance specialist with over 18 years of diverse experience, she began her career as a Civil and Fire Engineer at Ove Arup and Partners, and later joined Deutsche Bank AG, UK, serving in top management roles such as UK Head Operational Risk and Director of the Management Group for leverage finance at the Corporate and Investment Bank. Prior to specializing in the Risk Management field, she held positions in finance as a front office quantitative analyst at Goldman Sachs London and New York. she worked with First Bank of Nigeria as Head of operational risk management and managed and tracked the firm's risks across all directorates, transaction services, and alternative investments. In 2010, she founded and headed AFRisk Management Consultants Limited, which developed the enterprise risk management frameworks for some of the country's major institutions including the Central Bank of Nigeria, First Bank Nigeria, and AIICO Insurance Plc. Dr. Fajemirokun went on to become the Chief Risk Officer of the company in 2013. She is also a visiting professor at the University of Manchester, UK, and has received global recognition for her work with the Operational Riskdata Exchange Association (ORX) and Institute of Risk Management, UK. She is currently a member of the Lagos State Research and Innovation Council in addition to her numerous caps on a number of other boards of Nigerian companies. Dr. Fajemirokun holds a B.Eng. in Civil, Structural and Fire Engineering and a Ph.D. in Risk-Informed Engineering both from the University of Manchester, UK. She is a Fellow of the Engineering and Physical Sciences

Research Council (EPSRC) and Specialist member (SIRM) of the Global Institute of Risk Management.

Viswanathan Shankar – Non-Executive Director
Appointed June 1, 2020

Mr. Shankar is the Co-founder and Chief Executive Officer of Gateway Partners, a private equity firm focused on investing in the dynamic growth markets of Africa, Middle East and Asia. He previously served as CEO – Europe, Middle East, Africa and Americas, and member of the global board of Standard Chartered Plc and prior to that, he served as Head of Investment Banking for Asia Pacific at Bank of America. His past appointments in non-executive roles include the boards of the Inland Revenue Authority Singapore; Enterprise Singapore; Majid Al Futtaim Holdings and Vice Chair of the Future of Banking Global Agenda Council of the World Economic Forum. Shankar is also currently a non-executive director of Gateway Delta Development Holdings, Mauritius and Fund for Export Development in Africa, Egypt. He was awarded the Public Service Medal by the government of Singapore in 2014. Mr. Shankar obtained a bachelor's degree in physics from Loyola College, Madras in 1977 and a Masters' degree in Business Administration in 1979 from the Indian Institute of Management, Bangalore.

Arnold Ekpe – Non-Executive Director
Appointed June 1, 2020

Mr. Arnold Ekpe, a seasoned international banker with an illustrious career which spanned over 30 years, retired as the Group CEO, Ecobank Group in 2012. He began his working career with Schlumberger SA as Wireline Logging Engineer in 1977 and moved to Alcan Aluminium Nigeria as Executive Asst. to the CEO in charge of purchasing and labor relations, 1979-1980. Mr. Ekpe joined the banking sector as Head of Strategy, International Merchant Bank (affiliate of First Chicago); then Operations Manager and subsequently General Manager of IMB Securities, the stockbroking and investment banking arm of IMB from 1980-1986. He became the Head of Corporate Finance and General Manager of City Securities Limited, First City Monument Bank, 1986-1987, and then General Manager, Nigeria International Bank (Citibank Nigeria), 1987-1990. Mr. Ekpe holds a BSc First Class Honors, Manchester University (Shell Scholar) 1973-1976, and an MBA, Manchester Business School (1977-1979). Among his achievements were the Lifetime Achievement Award, African Bankers Award, 2011, and Distinguished Alumni Award, Manchester University, 2019. He serves on several Boards as Chairman or Non-Executive Director.

Emmanuel Ikazoboh – Non-Executive Director
Appointed June 1, 2020

Mr. Emmanuel Ikazoboh has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was the Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner/ CEO of Deloitte West and Central Africa, until 2009. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979. He is a Certified Accountant in the United Kingdom and a fellow of the Chartered Association of Certified Accountants, Institute of Chartered Accountants of Nigeria. He was appointed by the SEC as an Interim Administrator, to carry out capital market reforms of the Nigerian Stock Exchange (now Nigerian Exchange Limited) and the central Securities Clearing System operated by the Central Securities Clearing System PLC. He serves on several Boards as Chairman or Non-Executive Director.

Mahmud Kazaure – Group General Counsel/Company Secretary
Appointed October 20, 2016

Mahmud Kazaure joined Dangote Industries Ltd in 2011. He has broad legal experience including commercial law, international business, and civil litigation as well as contractual and legislative drafting. He is licensed to practice law in Nigeria as well in the states of Maryland and New York in the United States of America. He holds a Bachelor of Laws degree from Ahmadu Bello University, Zaria, and a Master of Comparative Jurisprudence degree from Howard University School of Law, Washington DC.

PROFILES OF THE MEMBERS OF THE SENIOR MANAGEMENT TEAM

Mr. Michel Puchercos – Managing Director/Chief Executive Officer, DCP

Mr. Michel Purchercos has more than twenty (20) years' experience in the cement industry, having served in various capacities at Lafarge including as the President & Chief Executive Officer of Lafarge Halla Cement from January 2009 to

March 2016, Director of Strategy and Systems at Lafarge Gypsum from September 1998 until March 2003 and also as Chief Executive Officer of Bamburi Cement, Kenya, Hima Cement, Uganda and Chairman, Mbeya Cement, Tanzania from June 2005 till December 2008. He served as the Group Managing Director and Country CEO of Lafarge Africa Plc, a company listed on Premium Board of the Nigerian Stock Exchange, from April 2016 till December 2019. He is a graduate of the Ecole Polytechnique (1976) and the Ecole Nationale du Génie Rural, des Eaux et des Forêts (1981).

Ravindra Singh Singhvi – Managing Director/Chief Executive Officer, DSR

Mr. Ravindra Singh Singhvi was the Chief Operating Officer until his appointment as the Ag. Managing Director on June 18, 2019. Mr. Singhvi has over 37 years of proven experience in leadership positions in Manufacturing and Processes in the sugar, petrochemicals, cement and textiles products industries in India. Mr. Singhvi is a Chartered Accountant with background in Company Secretaryship and General Management. Mr. Singhvi was appointed as the substantive Group Managing Director of Dangote Sugar from October 30, 2020.

He possesses a bachelor's degree in B.Com (Hons) and Law (I) from the University of Jodhpur, India.

Prior to joining Dangote Sugar Refinery Plc, Mr. Singhvi was the Managing Director & CEO of NSL Sugar Limited, Hyderabad, India, Managing Director, EID Parry (1) Limited, Chennai, India, one of top three sugar producing companies in India.

Thabo Mabe – Ag. Managing Director/Chief Executive Officer, NASCON

Mr. Thabo Mabe has more than thirty (30) years' experience in the fast-moving consumer goods industry, having served in various capacities in Unilever including as the Managing Director and CEO of Unilever Nigeria from 2010 to 2014, Vice President Brand building, Unilever Homecare South Africa between 2007 and 2010, Vice President supply chain Unilever South Africa between 2004 and 2006, Manufacturing Director, Unilever Home and Personal Care South Africa from 2002 to 2004 and Works Director Personal Wash in LEVERFABERGE a Unilever Company in Germany from 1999 to 2002. He was appointed the Group Chief Executive officer of Dangote Flour Mills Plc between 2014 and 2019 and was subsequently appointed the Managing Director of Dangote Rice Limited in 2019, a position he held until his current appointment as the Acting Managing Director of NASCON Allied Industries plc. Mr. Mabe holds a bachelor’s degree (BSc) in Chemistry and Mathematics obtained from the University of Forte Hare in 1986.

Mustapha Ibrahim - Group Chief Finance Officer

Mr. Mustapha Ibrahim, a Chartered Accountant, joined Dangote Group in 2006 and has since then been providing leadership in the various Group's finance functions and is currently Group Treasurer and Ag. Chief Finance Officer. He is a Fellow of both the Institute of Chartered Accountants of Nigeria (FCA) and Chartered Institute of Taxation of Nigeria (FCIT) and was at one time a member of ICAN Finance and General Purposes Committee. In addition, he holds the professional Treasury Dealership Certificate (TDC) and served as a member of the Executive Committee of the Financial Markets Dealers Association (FMDA) and its various sub- committees. He was one of the promoters of the Association of Corporate Treasurers of Nigeria (ACTN) and served as a founding member of its Interim Management Committee and Chairman of the ACTN Membership Sub-committee. He is also a member of the Nigerian Institute of Management (Chartered) (MNIM). Mr. Ibrahim has over 31 years cognate experience in Financial Control, Reporting and Compliance, Planning and Budgeting, Corporate Strategy, Global Markets and Trade Services, Risk Management, HR and Corporate Services. He was at various times the Chief Financial Officer (CFO) of the two banks he worked for prior to joining First Bank of Nigeria Plc as a Deputy Group Treasurer and Chief Dealer, where he won the Overall Best Relationship Manager in the bank's 2005 maiden Chief Executive Annual Merit Award.

He is a 1989 Honors degree Accounting graduate of the Ahmadu Bello University, Zaria

Nglan Niat - Group Human Resources Officer

Mrs. Nglan Niat is the Group Chief Human Resources Officer of Dangote Group. She has 20 years' experience in Human Resources Management, 19 of which she spent with Schlumberger, the world's leading oilfield services company. At Schlumberger, she took on numerous HR Management and executive positions with increasing responsibility and challenges across various international environments. In her last role, she was responsible for the delivery of HR Services for Schlumberger across its 10 West & Central Africa operating countries. Aside from her assignments in Africa, she has held various senior management positions in Canada, USA & France. Her key expertise includes: Talent acquisition, development and deployment, Compensation & Benefits in complex international environments, Training and Development, Employee share plan management, HR integration in mergers & acquisitions, HR communications and Diversity management. She recently joined the Dangote Group and drives the design and implementation of HR strategies to identify, attract, select, hire, and retain the best talents to meet the manpower needs and support the achievement of the strategic objectives for the Dangote Group.

Nglan is perfectly bilingual (English & French) and holds an MBA, with specialization in Human Resources Management from HEC Montreal (University of Montreal's business school). She is a member of the Chartered Institute of Personnel Management of Nigeria (CIPM) and the Society for Human Resource Management (SHRM).

Aliyu Suleiman - Group Chief Strategy Officer

Mr. Aliyu Suleiman is the Chief Strategy Officer for Dangote Group where he is responsible for Strategy & Business Development, M&A, Business Transformation, and Change Management. Prior to Joining Dangote Group, Aliyu was an Associate Principal (Junior Partner) in McKinsey & Company's London office which he joined in 2008. During his 7 years consulting experience, he worked on various strategy and transformation assignments across Africa, Europe, US, Asia, and the Middle East. Prior to joining McKinsey, Mr. Suleiman worked for five years as a Systems Engineer for Shell. Before that he also worked as an IT project engineer in a commercial bank.

Mr. Suleiman has an MBA with distinction from INSEAD and a Bachelors' degree in Electrical Engineering from Abubakar Tafawa Balewa University in Nigeria.

Jonathan Ogiku - Group Head Internal Audit

Mr. Jonathan Ogiku, a Nigerian, is the Group Chief Internal Auditor for the Dangote Group. Mr. Ogiku started his career with the British American Tobacco (BAT) Company Plc as a management trainee in 1989 and held various senior roles as Operations Finance Manager, Treasurer and Head of Audit. During these years, he received extensive international training in the UK in diverse areas in finance, internal audit, investigations, corporate security management and risk management. Jonathan's professional experience combines a deep understanding of manufacturing operations, cultural sensitivity and a commercial approach to business. He is a regular paper presenter at the ICAN MCPE & CPE programmes and a member of the Board of Directors of the Institute of Internal Auditors, Nigeria. Jonathan joined Dangote Cement Group from BAT eight years ago as General Manager, Internal Audit responsible for Nigerian Operations. He was promoted to Senior General Manager (2015), Group Head Internal Audit (2017) and Group Chief Internal Auditor (2018).
He holds a master's degree (Executive MBA) from Lagos Business School, Pan Atlantic University and is a Fellow of the Institute of Chartered Accountants of Nigeria.

James Adenuga – Acting Group Chief HSE Officer

Mr. James Adenuga is the Ag. Group Chief Health, Safety, Social and Environment (HSSE). He started his career at Shell Petroleum Nigeria in May 1999; amongst other deliverables was to drive the successful development and implementation of an HSE MS; he continued from a regional to a corporate coordinator role for a few business units till 2006 when he relocated from Nigeria to continue his career in the UK. He joined Bombardier Transportation, a train manufacturing company as a QHSE advisor and rose to a regional QHSE Manager for the London operating area till 2010. He took other roles in HSE Management, including Shell Global Site Systems Program (GSSP) and then Shell Upstream International Europe based at Bacton Gas Terminal from 2010 to 2013. He continued as a Senior Manager for London rail & Field operations with Exterion Media & London Underground/ Transport for London till September 2016 when he joined the Dangote Group as Group Lead Occupational Health & Safety. He has over 22 years of experience with a mature understanding of operational HSE Management from various high risk operating environments/ systems of key E&S issues and risks across several industrial sectors including Oil & Gas, Energy, Manufacturing, Heavy Engineering Maintenance, and Transport to assure compliance and performance-related activities and projects.

He holds a bachelor's degree in Radiography & a Post Graduate Diploma in HSE Management from the School of Radiography/ College of Medicine University of Lagos (1993 & 2002). He also holds a Master's degree in Occupational Health and Safety Management from the University of Portsmouth UK. He is a Chartered Fellow of the Institution of Occupational Safety & Health and a Fellow of the International Institute of Risk and Safety Management

15.4.1 MEMBERS OF BOARD COMMITTEES

Finance and Investment Committee	**Mr. Viswanathan Shankar (Chairman)** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Emmanuel Ikazoboh** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Arnold Ekpe** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Olakunle Alake** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Devakumar V.G. Edwin** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Engr. Mansur Ahmed** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Hajia Halima Aliko-Dangote** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
Audit and Risk Committee	**Mr. Arnold Ekpe (Chairman)** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Emmanuel Ikazoboh** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Viswanathan Shankar** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Dr. Adenike Fajemirokun** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Olakunle Alake** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos **Mr. Abdu Dantata** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
Governance and Remuneration Committee	**Mr. Emmanuel Ikazoboh (Chairman)** Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Arnold Ekpe
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Viswanathan Shankar
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

16. CORPORATE GOVERNANCE – DANGOTE GROUP

16.1 OVERVIEW

16.1.1 DANGOTE INDUSTRIES LIMITED

The board of Directors of the Sponsor is committed to achieving sustainable long-term success and determined to ensure the implementation of best corporate governance practice by the Sponsor. The commitment plays an integral part in ensuring consistency and rigour in decision making to ensure shareholders continue to receive maximized value from their investments. The directors of the Sponsor owe fiduciary duties to act objectively in the best interests of the Sponsor and hold management accountable for performance. The Board continues to guide management in implementing ethical conduct, sets appropriate tone-from-the-top and desired organizational culture, and thereby strengthening proper accountability within the Sponsor.

16.1.2 THE BOARD AND ITS COMMITTEES

The Sponsor has a dynamic board of directors responsible for maintaining strong governance practices that ensure the business of the company is run effectively. Each subsidiary’s board is made up of an experienced group of directors. The board members have expertise in wide range of fields which bring valuable insight and perspectives in the oversight of each subsidiary.

DIL also has representation on each subsidiary's board to ensure strategic alignment with the Group, while maintaining distinct governance at the subsidiary level.

ROLE OF THE BOARD

The board of directors of the Sponsor is guided in its operations and responsibilities as by CAMA and has a goal ensuring that its oversight functions are done transparently without prejudice and undue influence. The board of directors of the Sponsor currently comprises ten (10) members.

The board delegates the day-to-day management of the Sponsor to the Management Team. The Management Team which comprises seasoned and experienced individuals execute the powers delegated to them subject only to the limits of their authority and guided by CAMA and applicable laws. The Sponsor pursues implementation of strong corporate governance through structures and policies that are consistent with international best practices to attaining compliance with all relevant laws and regulations in Nigeria and the other countries in which its subsidiaries operate.

The roles and responsibilities of the Sponsor’s board are contained in the approved board charter. The board charter sets out guidelines on the board 's composition, meeting procedures and guidelines on how the board of the Sponsor is to manage its affairs.

16.1.3 BOARD COMMITTEES

The Sponsor’s Board Committees are responsible for dealing effectively with complex or specialized issues and facilitate using directors’ time more efficiently. It’s committees make recommendations for action to the full board, which retains collective responsibility for decision-making

16.1.4 GOVERNANCE AND REMUNERATION COMMITTEE

The Board Governance and Remuneration Committee is focused on considering the human resources aspects of the business environment in which the Sponsor operates. The Board Governance and Remuneration Committee takes cognizance of the relevant codes of corporate governance in Nigeria as well as leading governance practices with the aim of achieving adherence to the highest standards of corporate governance.

16.1.5 FINANCE AND INVESTMENT COMMITTEE

The role of the Finance and Investment Committee is primarily to provide financial oversight for the organization. Typical tasks include budgeting and financial and investment planning. It also monitors financial reporting and the creation and enforcement of internal controls and accountability policies.

16.1.6 AUDIT AND RISK MANAGEMENT COMMITTEE

The purpose of the Audit and Risk Management Committee is to assist the Board in discharging its oversight responsibilities in relation to internal audit ("IA"), internal control, risk management, and compliance for the Sponsor. It reviews the operations of the relevant functions in the company and makes recommendations to the Board.

16.2 CORPORATE GOVERNANCE OF THE SPONSORS SUBSIDIARIES

All the publicly listed entities within the Group committed to achieving full compliance with the provision of CAMA, the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigerian in 2018, Securities and Exchange Commission Code of Corporate Governance for Public Companies and the rules and regulations of the NGX.

DANGOTE CEMENT PLC

As one of the highest capitalized companies in Nigeria and one of only eight companies to be listed on the Premium Board of NGX, DCP is committed to implementing a high standard of corporate governance through structures, policies and processes that are consistent with global best practices with the aim of ensuring that DCP complies with all relevant laws and regulations in Nigeria and the other countries in which DCP's subsidiaries operate. This practice is consistent with DCP's belief that good corporate governance is directly aligned to the achievement of business objectives, maintaining the confidence of investors and a means of sustaining viability of the business in the long term.

The board of DCP is responsible for the efficient execution of corporate strategy based upon sound principles of corporate governance and for ensuring the overall success of the business. The board of DCP ensures leadership through effective oversight and review. DCP's board comprises fifteen persons with skills in diverse areas such as manufacturing, finance, engineering, business, and law. These include the chairman, five independent non-executive directors, seven non-executive directors and two executive directors. The position of the Chairman and the Group Chief Executive Officer are held by separate persons.

DCP's board governs DCP through the operation of its board committees and by monitoring and reporting systems. Each board committee has specific terms of reference issued by DCP's board.

DCP's board currently has four committees as follows: (a) Audit, Compliance and Risk management Committee; (b) Finance and Investment Committee; (c) Technical and Sustainability Committee; (d) Remuneration, Governance and Nomination Committee.

DANGOTE SUGAR REFINERY PLC

The Board of Directors of DSR is committed to continually ensure sustainable long-term success and implementation of corporate governance best practices within the Company. Through its oversight functions, the Board is committed to delivering value to all stakeholders in the Company whilst also driving initiative to actualise the Company's sustainability goals.

DSR prides itself as an institution which strives to employ international standards of compliance to ensure transparency, fairness, accountability, and responsibility.

As at December 31, 2020, the Board of Dangote Sugar was composed of nine (9) Directors including one Independent Non-executive Director. The board exercises leadership, enterprise, integrity and judgment in its oversight and control of Dangote Sugar. Some of the characteristics of the members of the board of Dangote Sugar are as follows:

- They respect clear division of the roles between the management and the board;
- They take advantage of cutting-edge technology to improve overall performance.

- They are forward looking and periodically conducts self-assessment objectively
- They develop Board dynamics that promote an environment of mutual trust.
- They engage external consultants to advice where necessary.

Members of the board of Dangote Sugar have a wide range of experiences including business and entrepreurship, finance and accounting, investment, information technology, law, banking, administration, risk management and strategy & business development. To safeguard the objectivity and independence of the board, no individuals have unfettered powers of decision making and there is no cross membership on the board of competing companies.

Dangote Sugar's board currently has three committees as follows: (a) board governance committee; (b) board finance committee; (c) board risk management and assurance committee.

NASCON ALLIED INDUSTRIES PLC ("NASCON")

NASCON is committed to best practice and procedures in corporate governance. The corporate governance practices are constantly under review, in line with dynamics of the business environment. The corporate governance policies adopted by NASCON's board are designed to ensure that NASCON's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards

GCR RATINGS

Credit Rating Announcement

GCR assigns national scale long and short term issuer ratings of AA+(NG)/ A1+(NG) to Dangote Industries Limited, with the Outlook accorded as Stable.

Rating Action

Lagos, 25 April 2022 - GCR Ratings ("GCR") has assigned national scale long-term and short-term Issuer ratings of AA+(NG) and A1+(NG) respectively to Dangote Industries Limited, with the Outlook accorded as Stable.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook
Dangote Industries Limited	Long Term Issuer	National	AA+(NG)	Stable
	Short Term Issuer		A1+(NG)	--

Rating Rationale

The ratings of Dangote Industries Limited ("DIL" or "the Group") weighs its strong competitive position due to its size, and systemic importance of the ongoing projects, the leading market positions held by its major subsidiaries and relatively diversified business lines, which have translated into a sound earnings trajectory. This is somewhat offset by elevated debt and the currently high foreign currency ("FCY") exposure.

The competitive position is a positive rating factor, underpinned by DIL's position as one of the leading conglomerates in Africa, with operations concentrated in Nigeria but extending into 10 countries. The Group has 11 distinct business lines, but the cement business currently contributes 77.5% of group earnings, with sugar (16.1%) and salt (2.1%). These key subsidiaries are industry leading players with strong brand values, underpinned by long operational track record, diverse customer base, ongoing investments in capacity expansion, and control over their respective value chains. The remaining businesses are still relatively small, but GCR expects further earnings diversification from the ongoing refinery project and capacity ramp-up at the recently commissioned fertilizer plant over the outlook period.

The earnings profile assessment is positive to the ratings. This reflects the size and progression of earnings over the review period, with a 5-year CAGR of 10.2% in FY20. Although the top line declined slightly in FY19, DIL has since demonstrated resilience, with revenue increasing 10% in FY20 and 31.4% and 9M FY21, on the back of higher production volumes and price increases. GCR expects revenue growth of about 15% in FY22 on account of increased sales and additional inflow from the fertilizer plant. Revenue is then projected to nearly treble to c.N6tr in FY23, once the oil refining operations commence. Once fully operational, the refinery operations are expected to dominate group earnings. We anticipate this will lead to a sharp reduction in the EBITDA margin to the 21% to 24% range (historical average: 35%), but the overall earnings quantum will materially increase.

Leverage and capital structure are a constraint to the ratings, given the substantial debt used to fund the fertilizer and refinery projects. Gross debt (including shareholder loans and lease liabilities) was reported at N3.2tr at 9M FY21 (FY19: N2.2tr; FY18: N1.7tr), weakening net debt to EBITDA to 3.9x at 9M FY21 (FY20: 4.9x) compared to the moderate levels pre-FY19. Following the escalation in debt service costs, net interest coverage has since narrowed to the 2.2x – 2.4x range (FY16-18 average: 9.8x), before widening slightly to 3.7x during 9M FY21. In addition, operating cash flow ("OCF") coverage of debt weakened to 21.8% in FY20 and further to 13.8% during 9M FY21, mirroring the increase in debt. GCR expects the metrics to gradually improve over the outlook period, as earnings and cash flows from the fertilizer plant and refinery materialise, allowing DIL to materially reduce debt level.

GCR notes DIL's access to diverse funding pool, including 29 local and foreign banks and development finance institutions. Moreover, c.30% of DIL's debt relates to shareholder loans. However, the benefits are counterbalanced by the Group's high FCY exposure versus limited FCY earnings (<15% of group earnings). However, GCR anticipates that the FCY exposure will ease as earnings from the ongoing projects will be USD denominated.

The slightly positive liquidity assessment is predicated on DIL's cash holdings of N811bn at December 2021 and GCR's projected operating cash flows of N650bn and N915bn in FY22 and FY23 respectively. Liquidity will be supported by the Group's proposed bond issue of c.N300bn, N206.5bn from the disposal of shares and unutilised committed credit lines of N12.5bn with a foreign financier. We expect this to sufficiently cover the substantial remaining capex outlay, investment commitments, dividend payments and external debt redemption in FY22 and FY23. Overall, the liquidity sources versus uses coverage is estimated at 1.8x over the next 12 months and 1.6x over the 24 month to December 2023. Even if not all cash inflows materialise, DIL has adequate scope to manage its liquidity by reducing dividends or some non-essential investments.

Notwithstanding the financial stress that may materialise if there are delays in the commencement of the ongoing refinery project, GCR has factored in a positive peer score in view of the economic importance of the project to Nigeria. This has ensured strong federal government support, including a 20% investment in the refinery and preferential access to foreign currency.

Outlook Statement

The Stable Outlook reflects GCR's expectation that DIL's oil refinery project will be commissioned according to schedule, and that strong earnings and cash flow projections will materialise as forecast. This will allow for the debt balance to be reduced over the rating horizon and mitigate the foreign currency mismatch.

Rating Triggers

A rating upgrade is contingent upon the successful completion of the refinery project, which translates to significant earnings growth, and a meaningful reduction in debt and FCY exposure. Specifically, upward migration to the ratings could follow a reduction in the net debt to EBITDA below 1.5x, interest coverage strengthening to 10x-15x and OCF to debt registering around 50%-60%.

A downward rating movement could result from the inability to timeously complete the ongoing project, leading to lower-than-expected earnings and cash flows, and potentially an escalation in debt. Any adverse foreign currency movement that results in escalation of debt balance would also be negative to the ratings. In addition, aggressive dividend decision amid the large capex and investment commitments could constrain the liquidity assessment and result in a rating downgrade. Any factors that impact the performance of Dangote Cement could also impact the broader group, given that it underpins current earnings.

Analytical Contacts

Primary analyst Lagos, Nigeria	Samuel Popoola Samuel@GCRratings.com	Analyst: Corporate and Public Sector +234 1 904 9462
Committee chair Johannesburg, ZA	Matthew Pirnie MatthewP@GCRratings.com	Group Head of Ratings +27 11 784 1771

Related Criteria and Research

Criteria for the GCR Ratings Framework, January 2022
Criteria for Rating Corporate Entities, January 2022
GCR Ratings Scales, Symbols & Definitions, May 2019
GCR Country Risk Scores, December 2021
GCR Nigeria Corporate Sector Risk Scores, April 2022

Ratings History

Dangote Industries Limited					
Rating class	Review	Rating scale	Rating	Outlook	Date
Long Term Issuer	Initial/last	National	AA+(NG)	Stable	April 2022
Short Term Issuer	Initial/last	National	A1+(NG)	--	

Risk Score Summary

Rating Components & Factors	Risk scores
Operating environment	**5.75**
Country risk score	3.75
Sector risk score	2.00
Business profile	**3.00**
Competitive position	3.00
Management and governance	0.00
Financial profile	**0.50**
Earnings performance	2.00
Leverage and Capital Structure	(2.00)
Liquidity	0.50
Comparative profile	**0.00**
Group support	0.00
Peer analysis	0.75
Total Score	**10.00**

Glossary

Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Cash	Funds that can be readily spent or used to meet current obligations.
Credit Risk	The possibility that a bond issuer or any other borrowers (including debtors/creditors) will default and fail to pay the principal and interest when due.
Diversification	Spreading risk by constructing a portfolio that contains different exposures whose returns are relatively uncorrelated. The term also refers to companies which move into markets or products that bear little relation to ones they already operate in.
Interest Cover	Interest cover is a measure of a company's interest payments relative to its profits. It is calculated by dividing a company's operating profit by its interest payments for a given period.
Leverage	With regard to corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Rating Horizon	The rating outlook period

Salient Points of Accorded Ratings

GCR affirms that a.) no part of the rating process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument. The credit rating has been disclosed to Dangote Industries Limited. The rating above was solicited by, or on behalf of, the rated entity, and therefore, GCR has been compensated for the provision of the rating.

Dangote Industries Limited participated in the rating process via telephonic management meetings, and other written correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from Dangote Industries Limited and other reliable third parties to accord the credit ratings included:

- 2020 audited annual financial statement, and prior four years annual financial statements;
- management accounts for the period to 30 September 2021;
- Industry comparative data and regulatory framework and a breakdown of facilities available and related counterparties;
- Information specific to the rated entity and/or industry was also received.

19 USE OF PROCEEDS

The net proceeds from each issue of the Bonds shall be in compliance with the rules and regulation applicable to such Bonds, and specified in the relevant Pricing Supplement and approved by the SEC

The applicable Pricing Supplement for each Series and/or Tranche under the Programme will specify the details of the use of proceeds of the particular Series. The costs and expenses of or relating to the issue are payable by the Issuer and will be deducted from the gross issue proceeds.

20 RISK FACTORS

The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Bonds. The risks in the following section are provided as general information only. Before making any investment decision, prospective investors should carefully read this Shelf Prospectus in its entirety, including the risk factors set out below. Investors should also seek professional advice before making investment decisions in respect of the bonds.

Further to the above, the Issuer and Sponsor disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus or as such risks may change from time to time. Prospective Investors should consult their own financial and legal advisers about the risks associated with an investment in the Bonds. An investment in the Bonds involves certain risks, most of which may or may not occur and neither the Issuer, the Sponsor nor any of the Issuing Houses are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Shelf Prospectus and any Applicable Pricing Supplement before purchasing the Bonds.

20.1 RISKS RELATING TO THE ISSUER

20.1.1 THE ISSUER IS A SPV WITH NO OPERATIONS OR SIGNIFICANT ASSETS

The Issuer is a SPV with no assets or business other than issuing the Bonds to raise capital on behalf of the Group. Proceeds of Bonds issued by the Issuer will be made available to the Sponsor, DORC or any other identified member of the Group. However, the Issuer's payment obligation in respect of the Bonds will be guaranteed by the Sponsor, DORC and DFL in accordance with the terms of the Deed of Undertaking executed by the Sponsor, DORC and DFL.

20.1.2 CHANGE IN LAW

The Issuer is duly incorporated and established under Nigerian law which remains in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

20.1.3 CREDIT RISK

The Issuer will use the proceeds of the Bond to finance projects undertaken by DORC or such other projects within the Group. However, the Issuer's payment obligation in respect of the Bonds will be guaranteed by the Sponsor, DORC and DFL in accordance with the terms of the Deed of Undertaking executed by the Sponsor, DORC and DFL. A default by the Co-obligors of the obligations under the Deed of Undertaking on a payment date will translate into a default by the Issuer in its obligations leading to the non-payment of the Coupon, and the principal on the Bonds on a payment date. Therefore, in considering the risks that may affect the Issuer's ability to fulfil its obligations under the Trust Deed, potential investors should primarily focus on the risk factors set out below in respect of the Group and their ability to fulfil their obligations, which is crucial to the Issuer's ability to fulfil its obligations under the Trust Deed.

20.2 RISKS RELATED TO NIGERIA

A substantial majority of the Group's operations are conducted in Nigeria. Accordingly, the Group's business, results of operations and financial condition depend significantly on the economic and political conditions prevailing in Nigeria and the following risk factors.

20.2.1 POLITICAL AND SOCIAL RISKS

With Nigeria being a very diverse political, religious and ethnic landscape, the country has been faced with varying levels of instability arising as a result of power struggles between diverse groups. The persistent criminal activity, social unrest, political and religious conflicts in the country has been to some extent the outcome of intolerance among diverse groups. Political instability has hindered smooth governance and has also led to the decline in socio-economic activities in many instances.

The sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in Northern Nigeria; and the Fulani herdsmen crisis contribute to the regions' security challenges. In October 2020, protests commenced in Lagos tagged "#ENDSARS", which was later widespread across Nigeria on incidences of police brutality against the youth in Nigeria. The protests sadly ended with massive lootings, reprisal attacks, gang violence and destruction of property across Nigeria. Lagos State, alone, estimated that the cost of rebuilding and repairing the properties destroyed as a result of the destruction of properties by hoodlums is the sum of ₦1 trillion.

These challenges in the country may, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy.

If the Federal Government is unable to address these issues, these risks may persist and adversely affect the Group's business, results of operation and/or financial condition.

20.2.2 EXCESSIVE RELIANCE ON CRUDE OIL

Despite efforts to diversify the economy over the years, the Nigerian economy remains largely concentrated, import dependent, consumption driven with crude oil as the major source of revenue. This excessive reliance on revenues crude oil sale, coupled with import dependence over the years has increased Nigeria's vulnerability to external shocks.

The oil sector plays a central role in Nigeria's economy, accounting for a substantial portion of export earnings. In 2017, 2018, 2019, 2020 and 2021, the oil sector accounted for approximately 8.7%, 8.6%, 8.8% and 8.31% and 7.24% of real GDP. Government revenues are substantially dependent on oil sector revenues, which arise from sales of crude oil and gas, royalties and taxes and fees. Government oil revenues are driven by the level of oil production in Nigeria and prevailing world oil prices. Recent decreases in international oil prices and a reduction in oil production, in particular as a result of decreased demand and the Organisation of the Petroleum Exporting Countries ("OPEC") production cuts in 2020 as a result of the COVID-19 pandemic, have adversely affected Government revenue and may continue to do so. In May 2020, as part of the attempt to support oil price by reducing excess availability of crude oil in world markets, OPEC reduced Nigeria's oil production allocation from an initial allocation of 1.75 mbpd, to 1.41 mbpd. As a result, Nigeria's oil production averaged 1.8 mbpd in 2020, compared to 2.0 mbpd in 2019. Such a reduction in oil production significantly reduces the oil revenue the Government is able to obtain.

Damage to the Nigerian economy as a result of the downturn in the oil industry, may harm the Group's customers and increase fuel costs, which may have a material adverse effect on the Group's business, results of operations and financial condition

20.2.3 ISSUES WITH GOVERNANCE AND PROCESSES THAT IMPACT BUSINESSES IN NIGERIA

Issues with governance and processes such as bureaucracy, bribery and corruption, are of serious concern and constitute major barriers to doing business in Nigeria and hinder economic growth and social development. Nigeria is currently ranked 131 out of 190 countries in the World Bank's 2020 Doing Business index, moving up 15 places from 2019. Whilst this is an improvement, the country still performs poorly in the areas of tax collection, enforcing contracts, provision of infrastructure and trading across borders. This continues to impact negatively on tax revenue, investor confidence and mobility of goods. Failure to address these issues, continued corruption in the public sector and any future allegations or perceived risk of corruption in Nigeria could have an adverse effect on the Nigerian economy and may have a negative effect on Nigeria's ability to attract foreign investment. Consequently, the Group's business and ability to raise capital could be negatively impacted.

20.2.4 UNFORESEEN NATIONAL/GLOBAL EMERGENCIES

From time to time, several national emergencies capable of disrupting economic activities significantly could emerge as demonstrated recently following the emergence of the COVID-19 pandemic in December 2019. The pandemic put a strain on the global economy, forcing many economies to initiate various growth inhibiting measures in a bid to prevent the spread of the deadly coronavirus. Several Sub-Saharan African countries suffered from a pandemic-induced recession with many others continuing to endure the impact of the pandemic, as containment measures constrained economic activity significantly.

Throughout 2021, the Russian military build-up on the border of Ukraine contributed to escalated tensions between

Russia and Ukraine and strained bilateral relations. On 21 February 2022, Russia recognised the independence of the so-called Donetsk People's Republic and the so-called Luhansk People's Republic within Ukraine and, on 24 February 2022, deployed Russian military personnel and equipment into these regions and Ukraine more widely on the basis of a purported special military operation to demilitarise Ukraine. In response to Russia's invasion of Ukraine, the United States, the European Union, the United Kingdom, Canada, Japan and Australia, among others, condemned Russia's actions and imposed a range of economic sanctions and other restrictions (such as export and import bans) targeting the Russian and Belorussian states, as well as certain state-owned entities and individuals. The ongoing conflict has had a significant impact on the international capital markets and investor sentiment, as well as resulted in sharp fluctuations in commodity prices (including oil and gas). The ongoing geopolitical tensions related to the conflict in Ukraine, as well as any escalations of the conflict and related economic or other sanctions, could negatively affect global macroeconomic conditions, including the Nigerian economy, and in turn have a material adverse effect on the Group's business, results of operations, financial condition, cash flows, liquidity and/or prospects

20.3 RISKS RELATED TO THE SPONSOR

20.3.1 OPERATIONAL RISK

The Sponsor is an investment holding company with operating subsidiaries with presence across 10 countries throughout Africa. The Sponsor's income is based on dividends received from the operating entities. If any or all of its key geographic markets were to experience a recurrence, continuation or worsening of economic conditions, the level of economic activity may decline, which would in turn result in reduced demand and/or lower prices of the products offered by the affected subsidiary. Furthermore, while the regions in which the subsidiaries operate may be affected differently by a global economic downturn, there can be no assurance that any weakening in African economic growth will not affect the various markets in the countries where the subsidiaries operates or that negative economic conditions in one or more regions will not affect the various markets in other regions.

As such, the Sponsor's income, results of operations and the growth of assets depend, to a large extent, on the performance of the African economy.

A number of the Sponsor's key subsidiaries' operations are located in Nigeria, which has from time to time, experienced periods of negative growth, increasing inflation, and devaluation of the Naira. These subsidiaries face logistical and operational difficulties as a result of carrying out operations in Nigeria. Persistent problems with power generation, transmission and distribution, a deteriorating and congested road network, congested ports and obsolete rail infrastructure have severely constrained socioeconomic development in Nigeria. Moreover, infrastructure in the Niger Delta can be unreliable. While there have been some developments in the National rail networks in Nigeria, with (i) the advent of the Lagos-Ibadan national rail line which began partial operations in December 2020, (ii) the commissioning of the Itakpe-Ajaokuta-Warri railway line in September 2020 (iii) the Abuja-Kaduna light rail, the Nigerian rail network is largely poor and restricts the movement of people and goods to, from and within regions thereby increasing the time it takes to mobilize workforces and deliver supplies or equipment. The lack of reliable infrastructure also limits the Sponsor's ability (and the ability of the Sponsor's partners and contractors) to respond quickly to unforeseen situations, which can lead to delays and production stoppages.

20.3.2 LIQUIDITY RISK

From time to time, the Company invests in several capital projects which is expected to improve its business operations and generate cash in the future. However, in the event that the Company is unable to generate cash from these projects within the anticipated period, the Company might be faced with liquidity challenges, particularly where there are significant settlement obligations.

20.3.3 FOREIGN EXCHANGE RISK

Due to the Company's international business activities, the Company is exposed to foreign currency exchange rate risk. The Company's revenue outside of Nigeria accounted for 24% of its total revenue for the year ended December 31, 2020. Consequently, the Company's results are affected by fluctuations in exchange rates, principally resulting from (i) the conversion of the results from its African operations into Naira, (ii) the impact of the foreign exchange rate fluctuations on its loan repayments in Naira terms and (iii) foreign exchange gains or losses resulting from the translation of its foreign currency denominated assets (principally relating to its Pan-African operations) and liabilities (mainly relating to its foreign currency denominated indebtedness) into Naira.

20.3.4 GROWTH AND EXPANSION RISK

The Company is operational in ten (10) emerging market countries across Africa, which subjects its business to emerging markets risks as well as risks resulting from being subject to multiple differing legal, regulatory, political and social requirements and economic conditions and unforeseeable developments across these jurisdictions. The Group's expansion into markets across Africa and beyond requires the Company to respond to rapid changes in market conditions in these countries. The overall success as a global business depends to a considerable extent on the Company's ability to anticipate and effectively manage differing legal, regulatory, political and social requirements, economic conditions and unforeseeable developments. For instance, the Company has been affected by civil disruption in Ethiopia, demonstrations in Ghana and governmental disputes in Tanzania. None of these incidents resulted in material disruption to the Company's business, damage to its properties, or adverse impact to its financial condition or results of operations.

20.3.5 REGULATORY RISK

The Company benefits from certain export/import controls, custom/tariff regimes and other trading regulations in the markets where it operates. For example, imports of the Company's products from Nigeria to member states of the Economic Community of West African States ("**ECOWAS**") are generally customs duty-free, whereas imports from non-ECOWAS countries are subject to tariffs. This provides the Company with a competitive advantage compared to producers from non-ECOWAS countries, while the Company also receives certain exporter status tax benefits in Nigeria. By the African Continental Free Trade Agreement ("**AfCFTA**"), governments commit to removing tariffs on 90% of goods produced within Africa. Thus, companies will be able to manufacture goods locally and transport them outside Nigeria without having to pay any duty. Nigeria is one of the signatories of the AfCFTA whose membership includes 54 out of 55 African member states. Nigeria has ratified its membership of the AfCFTA but has not enacted the AfCFTA into domestic law. The implementation of the AfCFTA may however lead to increased smuggling activities as well as loss of jobs for the local economy in Nigeria and may ultimately result in a reduction of government revenues typically available to be charges as custom duty. Availability of such export/import related benefits is also an important factor for the Company's strategy, one of the key aspects of which is to continue to focus on export markets and to build import clinker-grinding plants along the coast of West Africa and supply them with clinker produced in Nigeria, thereby benefiting from ECOWAS' customs duty-free regime and receiving exporter status tax benefits in Nigeria.

Notwithstanding the Company's efforts to closely monitor regulation in the sector and harness opportunities that may arise from any new policies, there are no assurances that introduction of new policies by the Government will not adversely impact the Company's operations or revenue generation capacity.

20.3.6 INFLATION

Nigeria is exposed to the risk of high inflation. According to the NBS, As at 31 December 2021, the year-on-year change for annual consumer price inflation was 15.63% and the year-on-year change for food (non-core) inflation was 17.37%. This high inflation rate in Nigeria is attributed to the persistence of insecurity across the country as well as lingering structural deficiencies impacting the logistics of moving food items to urban areas. Other factors include the impact of the COVID-19 pandemic and hikes in the price of energy products (premium motor spirit and electricity), amongst others. Changes in monetary and/or fiscal policy may result in higher rates of inflation, which could consequently further increase the Company's operating costs. There can be no assurance that inflation rate will not rise in the future. Significant inflation could have a material adverse effect on Nigeria's economy and, as a result, on the Company's business, results of operations and financial condition.

20.4 RISKS RELATED TO THE ISSUE

20.4.1 LIQUIDITY IN THE SECONDARY MARKET

Like many other corporate issuances, the levels of liquidity in the secondary market is relatively low. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition and prospect of the Company.

Although applications will be made for Bonds issued under the Programme to be admitted and traded on the FMDQ platform and/or The Exchange, there is no assurance as to the development or liquidity of any trading market for any particular issue of the Bonds.

20.4.2 WAIVERS, MODIFICATIONS AND SUBSCRIPTIONS

The conditions of the Bonds contain provisions for calling general meetings of Bondholders to consider matters affecting their interests in relation to the issue. The set provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant general meeting and Bondholders who voted in a manner contrary to the majority.

20.4.3 INADEQUATE CAPTURING OF INHERENT RISK BY CREDIT RATING

The Issue will be assigned a rating by at least one SEC-registered rating agency and any independent rating agency that may also decide to rate the Bonds. The ratings may not however adequately reflect the potential impact of all risks related to structure, market, and other factors that may affect the value of the Bonds. A credit rating is in essence not to be considered a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agencies at any time.

20.4.4 EARLY REDEMPTION

The Bonds may be subject to early redemption. Therefore, Bondholders may face the risk that the Bonds will be redeemed before maturity in a falling interest rate environment, forcing the Bondholders to reinvest the proceeds at a lower rate of return.

20.4.5 CREDIT RISK

Securities issued under this Programme may be issued without any external credit enhancement. In this instance, investors, in undertaking the investment, would be relying solely on the creditworthiness of the Company for the repayment of its obligations. Thus, any subsequent change(s) in the actual or perceived creditworthiness of the Company may adversely affect the value of the Bonds and the likelihood of repayment.

The financial information set out in this Shelf Prospectus has been extracted from the Reporting Accountant's report. This section should be read and construed in conjunction with the interim financial statement(s) published subsequently for the financial years prior to the issuance of Bonds under the relevant Pricing Supplement. The Financial Statements of the Company for the years ended December 31, 2016 to December 31, 2020 are hereby incorporated by reference and are available for inspection. Kindly refer to page 215-216 "Documents Available for Inspection" section of this Shelf Prospectus.

21.1 Extract from Independent Report of the Reporting Accountants covering the 5-year period from 2016 – 2020

DANGOTE INDUSTRIES LIMITED
ACCOUNTANT'S REPORT
ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

DANGOTE INDUSTRIES LIMITED

ACCOUNTANT'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

Table of Contents

Building a better working world

Ernst & Young
10th & 13th Floors
UBA House
57 Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: service@ng.ey.com
www.ey.com

The Directors
Dangote Industries Limited
Union Marble House
1 Alfred Rewane Road
Ikoyi
Lagos

Gentlemen,

ACCOUNTANT'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DANGOTE INDUSTRIES LIMITED FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

Report on the Consolidated Financial statements

We have reviewed the audited consolidated financial statements of Dangote Industries Limited ("the Company") and its subsidiaries (collectively, 'the Group') which comprise the consolidated statement of financial position as at 31 December 2020, 2019, 2018, 2017 and 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 31 December 2020, 2019, 2018, 2017 and 2016 and a summary of significant accounting policies and other explanatory information, for the proposed ₦300billion bond issuance programme to be issued by Dangote Industries Funding Plc and sponsored by Dangote Industries Limited ("the Offer"). Deliotte & Touche was the auditor of the Group for the years ended 31 December 2020, 2019, 2018, 2017 and 2016, and unmodified audit opinions were issued by the auditor for the five years ended 31 December 2020, 2019, 2018, 2017 and 2016.

Management's Responsibility for the Financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the applicable financial reporting framework and for such internal control as management determines necessary to enable the preparation of the consolidated financial statements and fair presentation that are free from material misstatements, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with the International Standard on Review Engagement (ISRE) 2400 (Revised), Engagements to Review Historical Financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated financial statements.

ACCOUNTANT'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DANGOTE INDUSTRIES LIMITED FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016 - Continued

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these audited consolidated financial statements do not present fairly, in all material respects, the financial position of Dangote Industries Limited and its subsidiaries as at 31 December 2020, 2019, 2018, 2017 and 2016 and their financial performance and cash flows for the years then ended in accordance with applicable financial reporting framework.

This report is solely for the use of the Directors of Dangote Industries Limited and other relevant parties. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & Young.

Yours faithfully,

Babayomi Ajijola
FRC/2013/ICAN/000000001196
For: Ernst & Young
Lagos, Nigeria

Date: 20 April 2022

DANGOTE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

	Note	2020	2019 Restated *	2018 Restated *	2017	2016
		N. mil	N. mil	N. mil	N. mil	N. mil
Revenue	5	1,333,909	1,212,300	1,226,491	1,180,767	905,922
Cost of sales	6	(657,315)	(638,464)	(643,634)	(632,164)	(554,141)
Gross profit		**676,594**	**573,836**	**582,857**	**548,603**	**351,781**
Other operating income	7	9,240	6,361	15,849	8,148	12,911
Other operating gains/(losses)	8	212,453	20,511	(56,983)	38,211	60,988
Movement in credit loss allowances	9	(1,737)	1,388	24	(19)	6,909
Selling and distribution expenses	10	(135,499)	(141,621)	(124,380)	(98,392)	(72,307)
Administrative expenses	11	(189,591)	(206,224)	(154,471)	(97,888)	(90,668)
Operating profit		**571,460**	**254,251**	**262,896**	**398,663**	**269,614**
Finance income	12	27,103	23,963	60,706	109,170	36,493
Finance costs	13	(216,624)	(184,182)	(125,737)	(81,064)	(56,199)
Fair Value Adjustments	8.1	-	-	-	-	-
Equity accounted income	25	750	649	563	2,167	(154)
Profit before taxation		**382,689**	**94,681**	**198,428**	**428,936**	**249,754**
Taxation	14	(156,589)	(58,379)	70,303	(64,454)	(5,376)
Profit for the year		**226,100**	**36,302**	**268,731**	**364,482**	**244,378**
Other comprehensive income:						
Items that will not be reclassified to profit or loss:						
Gains/(losses) on valuation of investments in equity instruments	34	2	(76)	(1,202)	-	-
Income tax relating to items that will not be reclassified		(1)	-	-	-	
Remeasurement on net defined benefit liability/asset		-	-	-	-	1,007
Total items that will not be reclassified to profit or loss		**1**	**(76)**	**(1,202)**	-	**1,007**
Items that may be reclassified to profit or loss:						
Exchange differences on translating foreign operations		168,651	(61,549)	117,498	(7,001)	100,475
Available-for-sale financial asset adjustment**		-	-	-	316	387
Other comprehensive income/ (loss) for the year net of tax		**168,652**	**(61,625)**	**116,296**	**(6,685)**	**101,869**
Total comprehensive income/ (loss) for the year		**394,752**	**(25,323)**	**385,027**	**357,797**	**346,247**
Profit attributable to:						
Owners of the parent		131,524	47,992	255,377	322,766	223,588
Non-controlling interests		94,576	(11,690)	13,354	41,716	20,790
		226,100	**36,302**	**268,731**	**364,482**	**244,378**
Total comprehensive income/ (loss) attributable to:						
Owners of the parent		163,799	29,533	266,818	316,167	326,109
Non-controlling interests		230,953	(54,856)	118,209	41,630	20,138
		394,752	**(25,323)**	**385,027**	**357,797**	**346,247**
Earnings per share						
Basic and diluted earnings (Naira)	16	66	24	128	161	112
Dividend per share	16	58	120	82	9	7

*See Note 56 for details of restatements.

** The available for sale financial asset adjustment emerged as a result of the treatment in accordance with IAS 39 before the adoption of IFRS 9

DANGOTE INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

	Note(s)	2020 N. mil	2019 Restated * N. mil	2018 Restated * N. mil	2017 N. mil	2016 N. mil
Non-Current Assets						
Property, plant and equipment	19	5,063,876	3,632,418	2,677,954	1,325,972	1,273,181
Goodwill	21	-	-	-	3,170	4,684
Right-of-use asset	20	14,921	15,077	-	-	-
Intangible assets	22	161,209	131,379	133,908	8,442	6,304
Investments in associates	26	5,711	4,961	4,312	3,749	1,582
Debt instruments (at amortised cost)	27	45,281	41,275	15,938	-	-
Investments at fair value	34	7,056	7,072	7,148	-	-
Other financial assets	34.1	-	-	-	2,983	2,983
Finance lease receivables	28	9,846	11,285	6,475	6,614	-
Deferred tax assets	15	17,679	60,068	49,970	61,379	66,361
Prepayments	30	160,370	317,802	339,957	30,986	13,202
		5,485,949	**4,221,337**	**3,235,662**	**1,443,295**	**1,368,297**
Current Assets						
Biological assets	29	4,462	2,069	1,841	2,807	3,008
Inventories	32	233,000	265,772	227,139	183,966	152,700
Loans to related entities	49	-	-	-	1,090,356	644,200
Debt instruments (at amortised cost)	27	3,149	-	-	-	-
Trade and other receivables	33	707,167	639,573	695,265	270,283	175,201
Other financial assets	34.1	-	-	-	61,929	42,367
Investments at fair value	34	19,458	16,212	14,547	-	-
Derivatives receivables	35	51,831	1,091	22,455	-	-
Finance lease receivables	28	5,249	4,266	2,380	1,608	-
Prepayments	30	90,508	30,858	31,423	37,609	79,902
Cash and cash equivalents	36	764,012	852,741	950,434	809,067	718,862
		1,878,836	**1,812,582**	**1,945,484**	**2,457,625**	**1,816,240**
Non-current assets held for sale and assets of disposal groups	37	869	869	869	869	871
Total Assets		**7,365,654**	**6,034,788**	**5,182,015**	**3,901,789**	**3,185,408**
Equity and Liabilities						
Equity						
Equity attributable to equity holders of parent						
Share capital	38	1,000	1,000	1,000	1,000	1,000
Foreign currency translation reserve		122,187	89,913	108,296	71,978	78,893
Fair value reserve		-	-	-	(2,159)	(2,475)
Employee benefit reserve		-	-	-	583	583
Reserve for valuation of investments		(116)	(117)	(41)	-	-
Capital reserves		-	-	21,413	14,824	16,688
Retained earnings		2,066,915	2,008,522	2,149,417	1,845,979	1,374,585
		2,189,986	2,099,318	2,280,085	1,932,205	1,469,274
Non-controlling interests		795,315	607,278	705,688	183,826	95,259
		2,985,301	**2,706,596**	**2,985,773**	**2,116,031**	**1,564,533**

DANGOTE INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued
AS AT 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

		2020	2019 Restated *	2018 Restated *	2017	2016
Liabilities	Note(s)	N. mil	N. mil	N. mil	N. mil	N. mil
Non-Current Liabilities						
Loans from related parties	40	56,420	19,588	17,765	-	-
Borrowings	39	1,994,859	1,586,442	1,331,677	826,361	621,835
Lease liabilities	45	8,982	9,157	-	-	-
Retirement benefit obligations	41	1,086	1,205	1,284	2,308	2,436
Government grant	43	28,852	30,389	8,424	355	629
Deferred tax liabilities	15	176,111	110,302	100,081	72,298	61,771
Provisions	44	9,593	3,684	2,753	3,453	3,344
Long service award obligations	42	3,581	-	-	-	-
		2,279,484	**1,760,767**	**1,461,984**	**904,775**	**690,015**
Current Liabilities						
Trade and other payables	46	994,979	858,916	400,713	700,006	526,411
Loans from related parties	40	708,978	465,438	262,338	-	-
Borrowings payable	39	288,228	170,846	31,298	131,772	384,446
Derivatives liabilities	34	104	-	-	-	-
Lease liabilities	45	3,593	2,021	-	-	-
Retirement benefit obligations	41	970	980	970	-	-
Contract liabilities	47	331	-	-	-	-
Government grant	43	70	149	314	792	1,224
Current income tax payable	14	71,595	67,880	31,257	46,277	18,742
Provisions	44	145	-	-	2	-
Bank overdraft	36	31,876	1,195	7,368	2,134	37
		2,100,869	**1,567,425**	**734,258**	**880,983**	**930,860**
Total Liabilities		**4,380,353**	**3,328,192**	**2,196,242**	**1,785,758**	**1,620,875**
Total Equity and Liabilities		**7,365,654**	**6,034,788**	**5,182,015**	**3,901,789**	**3,185,408**

*See Note 56 for details of restatements.

DANGOTE INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

	Share capital	Foreign currency translation reserve	Reserve for valuation of investments	Capital reserves	Retained earnings	Total attributable to owners of the Company	Non-controlling interest	Total
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
Balance at 1 January 2020	1,000	89,913	(117)	-	2,008,522	2,099,318	607,278	2,706,596
Profit for the year	-	-	-	-	131,524	131,524	94,576	226,100
Other comprehensive income	-	32,274	1	-	-	32,275	136,377	168,652
Total comprehensive income for the year	-	32,274	1	-	131,524	163,799	230,953	394,752
Transactions directly with equity holders:								
Disposal of non-controlling interests	-	-	-	-	(421)	(421)	421	-
Dividends (Note 16)	-	-	-	-	(72,710)	(72,710)	(43,337)	(116,047)
Total contributions by and distributions to owners of Company recognised directly in equity	-	-	-	-	(73,131)	(73,131)	(42,916)	(116,047)
Balance at 31 December 2020	1,000	122,187	(116)	-	2,066,915	2,189,986	795,315	2,985,301

DANGOTE INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - Continued
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

	Share capital	Foreign currency translation reserve	Reserve for valuation of investments	Capital reserves	Retained earnings	Total attributable to owners of the Company	Non-controlling interest	Total
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
Restated Balance at 1 January 2019	1,000	108,296	(41)	21,413	2,149,417	2,280,085	705,688	2,985,773
Profit for the year	-	-	-	-	47,992	47,992	(11,690)	36,302
Other comprehensive income	-	(18,383)	(76)	-	-	(18,459)	(43,166)	(61,625)
Total comprehensive income for the year	-	(18,383)	(76)	-	47,992	29,533	(54,856)	(25,323)
Reserve transferred from acquisition of subsidiaries	-	-	-	-	6,113	6,113	1,354	7,467
Derecognition due to disposal of subsidiary	-	-	-	(21,413)	-	(21,413)	-	(21,413)
Dividends (Note 16)	-	-	-	-	(195,000)	(195,000)	(44,908)	(239,908)
Total contributions by and distributions to owners of Company recognized directly in equity	-	-	-	(21,413)	(188,887)	(210,300)	(43,554)	(253,854)
Balance at 31 December 2019 (*Restated)	1,000	89,913	(117)	-	2,008,522	2,099,318	607,278	2,706,596

	Share capital	Foreign currency translation reserve	Employee benefit reserve/Reserve for valuation of investment	Fair value adjustment asset available for sale reserve	Capital reserves	Retained earnings	Total attributable to owners of the Company	Non-controlling interest	Total
Balance as at 1 January 2018	1,000	71,978	583	(2,159)	14,824	1,845,979	1,932,205	183,826	2,116,031
Profit for the year (Restated*)	-	-	-	-	-	268,731	268,731	13,354	282,085
Other comprehensive income (Restated*)	-	117,498	-	(1,202)	-	-	116,296	-	116,296
Adjustment on correction of error		(81,180)	(624)	3,361		165,484	87,041	548,294	635,335
Total comprehensive income for the year(Restated*)	-	36,318	(624)	2,159	-	434,215	472,068	561,648	1,033,716
Dividends (Note 16)	-	-	-	-	-	(130,040)	(130,040)	(33,197)	(163,237)
Adjustment to DFM capital reserve	-	-	-	-	6,589	-	6,589	(6,589)	-
Changes on initial application of IFRS 9	-	-	-	-	-	(737)	(737)	-	(737)
	-				-	-			-
Balance at 31 December 2018 (Restated*)	1,000	108,296	(41)	-	21,413	2,149,417	2,280,085	705,688	2,985,773
Balance at 1 January 2017	1,000	78,893	583	(2,475)	16,688	1,374,585	1,469,274	95,259	1,564,533
Profit for the year	-	-	-	-	-	322,766	322,766	41,716	364,482
Other comprehensive income	-	(6,915)	-	316	-	-	(6,599)	(86)	(6,685)
Total comprehensive income for the year	-	(6,915)	-	316	-	322,766	316,167	41,630	357,797
Disposal of shares in subsidiary without a loss of control	-	-	-	-	-	213,674	213,674	-	213,674
Reversal of fair valuation gain	-	-	-	-	(1,864)	-	(1,864)	-	(1,864)
Effect of changes in subsidiary shareholding	-	-	-	-	-	(65,046)	(65,046)	65,046	-
Dividends (Note 16)	-	-	-	-	-	-	-	(18,109)	(18,109)
Balance at 31 December 2017	1,000	71,978	583	(2,159)	14,824	1,845,979	1,932,205	183,826	2,116,031
Balance at 1 January 2016	1,000	(22,234)	(424)	(2,862)	-	1,150,997	1,126,477	90,733	1,217,210
Profit for the year	-	-	-	-	-	223,588	223,588	20,790	244,378
Other comprehensive income	-	101,127	1,007	387	-	-	102,521	(652)	101,869
Total comprehensive income for the year	-	101,127	1,007	387	-	223,588	326,109	20,138	346,247
Business combination	-	-	-	-	16,688	-	16,688	(1,418)	15,270
Contribution	-	-	-	-	-	-	-	617	617
Dividends (Note 16)	-	-	-	-	-	-	-	(14,812)	(14,812)
Balance at 31 December 2016	1,000	78,893	583	(2,475)	16,688	1,374,585	1,469,274	95,259	1,564,533

The translation reserves represents the cummulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary companies and subsidiaries with different functional currency, to the reporting currency.

*See Note 56 for details of restatements.

DANGOTE INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2020, 2019, 2018, 2017 AND 2016

	Note(s)	2020	2019 Restated *	2018	2017	2016
		N. mil	N. mil	N. mil	N. mil	N. mil
Cash flows from operating activities						
Cash generated from operations	48	856,867	824,199	466,544	465,065	458,257
Income tax (paid)/ received	14	(35,811)	(18,406)	9,979	(19,100)	(8,202)
Retirement benefit paid	41	(129)	(69)	-	-	-
Benefit paid for long service award	42	(132)	-	-	-	-
Net cash from operating activities		**820,795**	**805,724**	**476,523**	**445,965**	**450,055**
Cash flows from investing activities						
Purchase of property, plant and equipment	19	(1,077,371)	(1,098,373)	(151,080)	(115,025)	(202,261)
Proceed from disposal of property, plant and equipment		1,897	4,519	(1,872)	1,075	(642)
Purchase of intangible assets	22	(825)	(220)	(796)	(1,994)	(746)
Purchase of investments at fair value	34	(3,228)	(1,665)	-	-	-
Purchase of debt instruments at amortised cost		(7,155)	(25,337)	-	-	-
Purchase of biological assets	29	-	(541)	(998)	(983)	(595)
Proceed from disposal of biological assets	29	24	-	1,639	3,652	3,668
Interest income	12	26,725	23,704	126,099	140,790	34,961
Dividends received	12	378	259	897	558	1,530
Net cash (used in)/ from investing activities		**(1,059,555)**	**(1,097,654)**	**(26,111)**	**28,073**	**(164,084)**
Cash flows from financing activities						
Proceeds from related parties loans	40	177,896	204,923	-	-	-
Repayment of third party loans		-	-	(7,310)	-	-
Loan obtained from third party		-	-	-	(46,051)	322,966
Proceeds from borrowings	39	574,306	441,956	661,914	57,991	110,571
Loans to group companies repaid		-	-	-	72,009	212,247
Capital contribution in related parties		-	-	(420,285)	-	-
Loans advanced to related entities		-	-	(347,243)	(478,787)	(719,126)
Finance lease payment		-	-	(633)	(8,222)	-
Proceeds on sale of shares in subsidiary		-	-	-	213,674	1
Repayment of borrowings	39	(340,177)	(60,051)	(139,231)	(97,369)	-
Refund/Payment on lease liabilities		290	(3,722)	-	-	-
Dividends paid		(116,047)	(239,908)	(33,934)	(18,110)	(14,812)
Interest paid		(176,918)	(142,788)	(125,737)	(81,064)	(56,197)
Net cash from/ (used in) financing activities		**119,350**	**200,410**	**(412,459)**	**(385,929)**	**(144,350)**
Net (decrease)/ increase in cash and cash equivalents		(119,410)	(91,520)	37,953	88,109	141,621
Cash and cash equivalents at the beginning of the year		851,546	943,066	806,933	718,824	577,203
Total cash and cash equivalents at end of the year		**732,136**	**851,546**	**844,886**	**806,933**	**718,824**

*See Note 56 for details of restatements.

1 **Corporate Information**

1.1 Reporting entity

Dangote Industries Limited was incorporated as a private limited liability company on 18 April 1985 and commenced business in J uly, 1999. Dangote Nigeria Limited owns 0.01% and Greenview International Corp. of Cayman Island owns 99.9%. Alhaji Aliko Dangote is the ultimate controlling party.

1.2 **Principal activities**

The Group has diverse operation and activities which include production and sale of consumable staples (sugar and salt), packaging sack and cements. Some other Group activities include warehousing and logistics, and telecommunication services, and mining of coal and granite. The Group also has ongoing projects ranging from exploration and refining of crude oil, production and sales of fertilizer, and production of rice.

1.3 **Going concern**

The consolidated financial statements have been prepared on a going concern basis. The Directors believe that there is no intention or threat from any source to curtail significantly the Group's lines of business in the foreseeable future.

1.4 **Financial periods**

These consolidated financial statements cover the annual financial periods within 1 January 2016 to 31 December 2020.

1.5 **Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) that are effective as at 31 December 2020.

1.6 **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the following:

Agricultural produce: Fair value less cost to sell.

Non-bearer plant biological assets: Fair value where possible and cost where it is impossible to determine the fair value.

Debts instruments: Initially measured at fair value and subsequently measured at amortised cost.

Inventories: Lower of cost and net realisable value

Defined benefits obligations: Present value of the obligation
Equity investment: Fair value through other comprehensive income
Derivative financial assets and liabilities: Fair value

1.7 **Functional and presentation currency**

For the purpose of these financial statements, the results and financial position of the Company and its subsidiaries are expressed in Naira, which is the Group's functional and presentation currency.

All amounts have been rounded to the nearest million, unless otherwise indicated.

2.1 Consolidation (continued)

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains at inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured at fair value as at acquisition date. The measurement at fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. In the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2.1.1 Goodwill

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not effected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3, Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5, Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2.1.2 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted prospectively as of the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity

2.1.3 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9. When applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 Investments in associate

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

2.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. J oint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

When the company loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Joint operations

The company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

2.4 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less costs to sell.
Fair value is measured with reference to the price in an active market at the point of harvest, adjusted for its present location and condition. Fair value changes and expenses incurred in establishing and maintaining the assets are recognised in statement of profit or loss.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2.5 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts volume rebates, and value added tax. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from services: Revenue from services is recognized in profit or loss over time as the services are rendered in the accounting period in which the services are rendered.

2.5.1 Revenue from sale of goods

For sales of products to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the distributor's location if the agreement is for the Group to deliver. In case of self collection by distributors revenue is recognised when the distributor picks the products from the Group's factories or warehouses. Following delivery by the Group or self collection, the distributor has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. For distributors that buy on credit, a receivable is recognised by the Group when the goods are delivered to the distributor as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due

For sales of goods to end user customers, revenue is recognised when control of the goods has transferred, being at the point the customer lifts the goods from our factories if it's self collection or at the point at which the goods are delivered if the agreement is for the Group to deliver. Payment for the transaction price is done by the time goods are collected otherwise a receivable is recognised at that point. Amount related to shipping and handling whether included as part of sales price or billed separately is recorded as revenue, and costs incurred for shipping and handling are classified under "selling and distribution expenses".

2.5.2 Interest income

Finance income comprises interest income on short-term deposits with bank, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.3 Dividend income

Dividend income from investments is recognised in profit and loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any income from temporary investment of those borrowings.
- The weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

2.6 Borrowing costs - Continued

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.7 Translation of foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Naira which is the Group functional and presentation currency. All financial information presented in Dollar has been rounded to the nearest thousand unless where otherwise stated.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

a. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

b. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

c. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Investments in Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Dollar are translated into Dollar upon consolidation. On consolidation, assets and liabilities have been translated using the closing rate at the reporting date. Income and expenses have been translated into Dollar at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Foreign currency translation adjustments". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit and loss.

2.8 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one Group.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets in accordance with the Group's accounting policy and the costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at cost amounts.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:
Item Depreciation method Average Item Depreciation method Average useful life

Buildings	Straight line	25 years
Leasehold property	Straight line	Over the lease period
Plant and machinery	Straight line	10 - 15 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
IT equipment	Straight line	3 years
Bearer plants	Straight line	5 years
Aircraft	Straight line	25 years
Boat Straight	Straight line	25 years
Power and Cements plant	Straight line	5 - 25 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment where there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

2.8 Property, plant and equipment - Continued

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Assets which the Group holds for rentals to others and subsequently routinely sells as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement

2.9 Investment property

Investment property are properties held for long term rental yields. Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Depreciation method	Average useful life
Property - buildings	Straight line	50 years

Investment property is derecognised in the event of transfer of the investment property or the disposal of the investment property. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.10 Oil and Gas Assets

Oil and natural gas expenditures are accounted for using the 'successful efforts' method of accounting. Costs are accumulated on a well by well basis.

Exploration and evaluation (E & E) assets

Costs directly associated with an exploration well such as exploration costs and license acquisition costs, are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to profit or loss.

No depreciation and/or amortisation is charged during the exploration and evaluation phase. Capitalisation is made as tangible or intangible assets according to the nature of the expenditure. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets.

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

Development tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells is capitalised within oil and gas properties and intangible assets.

Under the successful efforts method, only those costs that lead directly to the discovery, acquisition, or development of specific discrete mineral reserves are capitalised and become part of the capitalised costs of the cost centre. Costs that are known to fail to meet this criterion (at the time of incurrence) are generally charged to the statement of profit or loss as an expense in the period they are incurred, although some interpretations of the successful method would also capitalise the cost of unsuccessful development wells.

2.11 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

2.11 Intangible assets - Continued

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meet the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination. Exploration assets are not amortised as it will only be available for use once transferred to the development cost of the project.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The basis of costing of different Inventories type are as follows:

Raw and packaging materials: Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

Work in progress: Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using weighted average cost.

Finished products: Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables: Spare parts which are expected to be fully utilised in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

2.12 Inventories - Continued

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the Group right to recover products from customers where customers exercise their right of return under the Group returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

2.13 Financial instruments

The Group applied IFRS 9 in 2018 using the modified approach and therefore the comparative information have not been restated and continues to be reported under IAS 39.

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Broadly, the classification possibilities, which are adopted by the Group,as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Note 51 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

Business model assessment

The Group and Company make 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 realizing cash flows through the sale of the assets;

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

2.13 Financial instruments (continued)

- 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 are not reclassified subsequent to their initial recognition unless the Group and Company changes its business model for managing financial assets, in which case all affected assets are reclassified on the first day of the first reporting period following the change in business model.

Assessment of 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 and Company 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 and Company 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 additional 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

2.13.1 Debt instruments at amortised cost

Classification

Loans receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans

Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

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.

Impairment

The Group and Company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group and Company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider 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 and Company's historical experience and informed credit assessment and including forward-looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising securities (if any held); or the financial asset is more than 90 days past due.

2.13 Financial instruments (continued)

Write off policy

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 2 years past due based on historical experience of recoveries of similar assets. For corporate 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 and Company expect 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. Any recovery made is recognised in profit or loss

Measurement and recognition of expected credit losses

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.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. 2.13.2 Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 32).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding statutory receivables and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable using a simplified impairment methodology adjusted for current conditions and forward looking information.

2.13.3 Investments in equity instruments

Investments in equity instruments are presented in Note 33. They Group have made an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Recognition and measurement

Investments in equity instruments are recognised when the Group and Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (and accumulated in equity in the reserve for valuation of investments). Investments in equity instruments are not subject to impairment provisions. Details of the valuation policies and processes are presented in Note 52

Dividends received on equity investments are recognised in profit or loss when the Group's and Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in Other operating income (Note 7).

2.13.4 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank

2.13.5 Borrowings and loans from related parties

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 13.)
Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to Note 51 for details of risk exposure and management thereof.

2.13.6 Trade and other payables

Recognition and measurement

They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.
If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 13).

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note 51 for details of risk exposure and management thereof.

2.13.7 Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.13.8 Derivatives

The Group and Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised when the Group and Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Directly attributed transaction costs are also recognised in profit or loss

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

The Group and Company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held by the Group and Company which are not in designated hedging relationships, include forward exchange contracts (Note 34).

Fair value gains or losses are included in other operating gains (losses) (Note 7 & 8). Details of the valuation policies and processes are presented in Note 52.

2.13.9 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently have 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.

2.13.10 Derecognition

Financial assets

The Group and Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or in which the Group and Company neither transfer nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group and Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group and Company derecognises financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss.

2.14 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Group in which they are declared.

2.15 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Whenever such indication exists, the assets recoverable amount is estimated. The impairment is the carrying amount less the recoverable amount of the assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

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 related to income are presented as a credit in the profit or loss (separately).

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant.

2.18 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The Company contribute 10% and employees 8% each of the employees' emoluments in accordance with Pension Reform Act 2014. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefits

Estimates of the Group's Defined benefit obligations are calculated periodically, in accordance with the provisions of IAS 19 - Employee Benefits, with the assistance of independent actuaries, using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period.

2.18 Employee benefits (continued)

Remeasurement comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Assets of the plan held by external entities to fund future benefit payments are valued at fair value at the reporting date.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense
- Remeasurement (actuarial gains and losses)

The Group presents the first component of defined benefit costs in profit or loss in the line item administrative expense as ['employee benefits expense'] while net interest expense is presented as part of finance cost. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 cost for a restructuring. If the benefits are not expected to be settled wholly within 12 months from the reporting date.

2.19 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

2.19 Provisions and contingencies - Continued

Restoration costs

Environmental expenditure relating to existing conditions resulting from past or current operations and from which no current or future benefit is derivable is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

2.20 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. Potential dilutive common shares result from stock options and convertible bonds issued by the Company on its own common shares.

2.21 Leases

The Group applied IFRS 16 in 2019 using the modified approach and therefore the comparative information have not been restated and continues to be reported under IAS 17 and IFRIC 4.

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

2.21.1 Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the Group is a lessee are presented in note 20.

2.21.1 Group as lessee - Continued

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 by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- 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, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 13).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right of use comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

2.21.2 Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 7).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the group net investment in the lease. They are presented as lease receivables (note 27) on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 12).

The group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

2.22 Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

3 Significant judgements and sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the Group in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis.

J udgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3 Significant judgements and sources of estimation uncertainty (continued)

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Classification of joint arrangements

AG Dangote Construction Limited is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, AG Dangote Construction Limited is classified as a joint venture of the Group.

Control over subsidiaries

The management of the Company have assessed whether or not the Group has control over the subsidiaries based on whether the Group has the practical ability to direct the relevant activities of each subsidiary laterally. In making their judgement, the directors considered the Group's absolute size of holding in the subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the subsidiaries and therefore the Group has control over them.

The Company has control over subsidiaries even when more than one half of the voting rights is not acquired, but when Company governs the financial and operating policies of the entity under a statute or an agreement.

Key sources of estimation uncertainty

Fair value estimation

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Impairment testing

The recoverable amount of the cash generating units is determined based on a value in use calculation which uses cash flow projections based on five year projection of current year EBITDA and average cost of capital in place. The directors believe that any reasonably possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amounts to exceed the aggregate recoverable amount of the cash generating unit.

3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31 December 2020 and the management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Biological assets

The fair value of the biological asset is derived using a replacement cost approach. Management uses estimates for the costs to replace the biological asset by segmenting the assets into their various life circles less expected costs to produce and sell the sugar and molasses, which are determined by considering historical actual costs incurred on a per hector basis. The estimated selling price and costs are subject to fluctuations based on the timing of prevailing economic and market conditions as obtained from the various units directly involved in the sales and biological transformation of the assets

Growing cane is valued using the estimated yield in tons of sugarcane projected to be harvested from the existing cane roots, less estimated costs of harvest and transport. For this purpose, management is required to assess the estimated selling price, which has been adjusted for time value of money and inflation based on prevailing market and economic conditions. The carrying value of growing cane is disclosed in Note 21 of the financial statements.

4 New Standards and Interpretations

4.1 Standards and interpretations effective and adopted

The Group applied IFRS 16 in 2019 using the modified approach and therefore the comparative information have not been restated and continues to be reported under IAS 17 and IFRIC 4.

The Group applied IFRS 9 in 2018 using the modified approach and therefore the comparative information have not been restated and continues to be reported under IAS 39.

The Group applied IFRS 15 in 2018 using the modified approach and therefore the comparative information have not been restated and continues to be reported under IAS 18.

In the year 2020, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

(a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

(b) the timing or the amount of interest rate benchmark -based cash flows of the hedged item or of the hedging instrument.

The exceptions are as follows:

(a) When determining whether a forecast transaction is highly probable, it shall be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

(b) When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.

(c) Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.

(d) For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

4 New Standards and Interpretations (continued)

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present or when the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after January 1, 2020.
The group has adopted the amendment for the first time in the 2020 consolidated financial statements.

The impact of the amendment is not material.

Definition of a business – Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after January 1, 2020.
The group has adopted the amendment for the first time in the 2020 consolidated financial statements.

The impact of the amendment is not material.

Presentation of Financial Statements: Disclosure initiative

The amendment clarifies and aligns the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

Primarily, the IASB amended the definition of material in IAS 1:7. It has been replaced with the following: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The effective date of the amendment is for years beginning on or after January 1, 2020.
The group has adopted the amendment for the first time in the 2020 consolidated financial statements.

The impact of the amendment has been considered in the presentation and disclosure of items in the financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarifies and aligns the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

Primarily, the IASB amended the definition of material in IAS 1:7. It has been replaced with the following: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The effective date of the amendment is for years beginning on or after January 1, 2020.

The group has adopted the amendment for the first time in the 2020 consolidated financial statements.

The impact of the amendment is not material.

4 New Standards and Interpretations (continued)

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after January 1, 2021 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.
It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as noncurrent.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after January 1, 2023.

The group expects to adopt the amendment for the first time in the 2023 consolidated financial statements.

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

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after January 1, 2023.

The group expects to adopt the standard for the first time in the 2023 consolidated financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated financial statements.

4.2 Standards and interpretations not yet effective - Continued

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after January 1, 2022.
The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

The impact of this amendment is currently being assessed.

Reference to the Conceptual Framework: Amendments to IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Continent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after January 1, 2022.
The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after January 1, 2022.
The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

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

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the group is for years beginning on or after January 1, 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

The impact of this amendment is currently being assessed.

4.2 Standards and interpretations not yet effective - Continued

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the group is for years beginning on or after January 1, 2022.
The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41

"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets.

The effective date of the group is for years beginning on or after January 1, 2022.
The group expects to adopt the amendment for the first time in the 2022 consolidated financial statements.

The impact of this amendment is currently being assessed.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the group is for years beginning on or after January 1, 2021.
The group expects to adopt the amendment for the first time in the 2021 consolidated financial statements.

The impact of this amendment is currently being assessed.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after January 1, 2021.
The group expects to adopt the amendment for the first time in the 2021 consolidated financial statements.

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

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the group is for years beginning on or after January 1, 2021.

4.2 Standards and interpretations not yet effective - Continued

The group expects to adopt the amendment for the first time in the 2021 consolidated financial statements.

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

COVID-19 - Related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after June 1, 2020.

The group expects to adopt the amendment for the first time in the 2021 consolidated financial statements.

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

		2020	2019 Restated *	2018 Restated *	2017	2016
5	Revenue	N. mil	N. mil	N. mil	N. mil	N. mil
	Revenue from contracts with customers					
	Sale of goods	1,320,755	1,201,304	1,214,183	1,171,974	900,191
	Rendering of services	1,214	4,497	5,355	-	-
	Other revenue	11,940	6,499	6,953	8,793	5,731
		1,333,909	1,212,300	1,226,491	1,180,767	905,922
	Sale of goods					
	Sale of cement	1,034,196	891,671	901,213	805,582	615,103
	Sale of salt	28,010	23,273	21,685	43,672	18,290
	Sale of sugar	214,297	161,086	150,374	199,372	169,725
	Sale of sack	4,644	3,076	1,288	1,893	1,935
	Sale of flour	-	76,762	112,352	107,812	95,092
	Sale of gas	39	195	173	450	46
	Sale of truck	26,718	34,277	27,098	13,193	-
	Sale of granites	3,107	3,521	-	-	-
	Sale of coals	9,744	7,443	-	-	-
		1,320,755	1,201,304	1,214,183	1,171,974	900,191
	Rendering of services					
	Transport services	-	4,214	4,084	-	-
	Internet services	113	283	1,271	-	-
	Car services	1,101	-	-	-	-
		1,214	4,497	5,355	-	-
	Other revenue					
	Construction contracts	966	-	-	-	-
	Logistics and terminal operations	10,974	6,499	6,953	8,793	5,731
		11,940	6,499	6,953	8,793	5,731
6	Cost of sales	N. mil	N. mil	N. mil	N. mil	N. mil
	Provision of services	5,962	3,709	2,909	-	-
	Raw materials consumed	299,970	319,117	316,905	333,692	271,549
	Employee costs	53,621	50,580	47,445	39,182	35,870
	Depreciation and impairment	74,642	70,484	73,465	69,502	59,632
	Other direct costs	223,120	194,574	202,910	189,788	187,090
		657,315	638,464	643,634	632,164	554,141
	Other direct costs comprise:					
	Cleaning	27	17	9	10	10
	Consumables	658	1,304	-	-	-
	Short term leases	494	415	692	-	-
	Manufacturing overheads	722	5,036	6,131	-	-
	Motor vehicle expenses	405	347	351	30,421	34,587
	Packaging	75	-	-	-	-
	Petrol, gas and oil	165,387	140,384	148,053	128,351	117,180
	Quality assurance	57	58	54	60	12
	Protective clothing	1	7	3	3	28
	Repairs and maintenance	31,131	29,606	30,076	15,201	21,842
	Transport, freight and storage	7,251	7,977	6,708	5,335	1,196
	Utilities	1,219	1,483	1,335	2,148	5,302
	Other expenses	15,693	7,940	9,498	8,259	6,933
		223,120	194,574	202,910	189,788	187,090

	2020	2019 Restated *	2018 Restated *	2017	2016
7 Other operating income	N. mil	N. mil	N. mil	N. mil	N. mil
Fees earned	1	-	1	-	-
Other rental income	1,201	413	722	92	-
Bad debts recovered	-	-	10	-	-
Compensation from insurance claims	1,322	626	1,161	472	103
Sundry income	5,848	2,814	9,097	6,043	11,988
Provision no longer required	396	2,266	2,465	1,057	390
Government grants	472	242	2,393	484	430
	9,240	6,361	15,849	8,148	12,911

	2020	2019 Restated *	2018 Restated *	2017	2016
8 Other operating gains (losses)	N. mil	N. mil	N. mil	N. mil	N. mil
Gains/ (losses) on disposals, scrappings and settlements					
Property, plant and equipment	13	(14)	(106)	3,565	5
	13	(14)	(106)	3,565	5
Foreign exchange gains (losses)					
Net foreign exchange gains/(losses)	210,023	20,838	(56,552)	32,178	58,339
Fair value gains (losses)					
Biological assets (Note 29)	2,417	(313)	(325)	2,468	2,644
Total other operating gains/ (losses)	212,453	20,511	(56,983)	38,211	60,988

9 Credit impairment charge/(reversal)	N. mil	N. mil	N. mil	N. mil	N. mil
Trade and other receivables (Note 33)	1,212	(1,789)	(24)	(19)	6,909
Related party receivables (Note 33)	525	401	-	-	-
	1,737	(1,388)	(24)	(19)	6,909

	2020	2019 Restated *	2018 Restated *	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
10 Selling and distribution expenses (analysed by nature)					
Depreciation of property, plant and equipment	18,375	23,869	25,572	18,812	17,756
Carriage expenses	-	-	-	113	366
Selling and marketing expenses	18,170	6,530	5,821	1,432	1,102
Haulage	98,954	111,222	92,987	78,035	53,083
	135,499	141,621	124,380	98,392	72,307

11 Administrative expenses	2020	2019 Restated *	2018 Restated *	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Administration and management fees	-	20	511	-	-
Advertising	1,918	10,729	5,698	4,607	3,090
Amortisation of prepaid expenses	371	578	169	-	-
Auditors remuneration - external auditors	927	851	806	758	613
Aircraft expenses	2,217	1,415	1,335	-	-
Assessment rates & municipal charges	-	-	-	64	39
Bank charges	6,850	4,254	4,828	8,567	1,879
Bad debt	-	-	-	350	166
Cleaning	1,235	157	312	215	102
Commission paid	24	51	50	1	24
Consumables	1,420	294	96	86	34
Corporate social responsibility	10,193	18,943	16,445	14,966	7,561
Depreciation of property, plant and equipment	22,009	25,208	17,240	8,911	11,591
Donations	1,136	1,762	434	2,004	7,566
Employee costs	69,402	58,426	51,425	28,236	29,102
Entertainment	226	222	170	36	50
Electricity, power and water	-	-	-	93	4,008
Farm surveillance	-	-	-	-	263
Fines and penalties	-	761	367	8	8
Gifts	712	1,089	259	7	187
Head office expense	111	874	643	784	1,135
Hotel and accomodation	-	-	-	126	452
Impairment of goodwill	-	-	-	1,514	
Impairment of property, plant and equipment	3,685	71	551	-	-
IT expenses	2,817	3,198	2,140	1,618	1,406
Insurance	9,358	4,855	4,002	600	347
Loss on sale of property, plant and equipment	-	-	-	39	64
Legal and professional fees	5,386	5,828	5,170	820	995
Lease rentals on operating lease	20	-	-	-	-
Levies	39	17	49	-	-
Medical expenses	328	93	107	21	20
Motor vehicle expenses	7,015	9,139	802	-	-
Municipal expenses	1,783	591	671	-	-
Newspaper and periodicals	68	73	56	46	107
Others	9,369	11,156	9,929	1,496	1,021
Petrol and oil	-	-	-	265	113
Provision for inter-company balances	-	-	-	-	1,036
Printing and stationery	101	199	147	126	78
Promotions	5,818	5,639	5,752	-	-
Protective clothing	3	-	-	-	-
Rent and rates	-	-	-	7,897	4,885
Repairs and maintenance	5,408	4,481	3,619	3,533	3,761
Research and development costs	284	2	94	95	59
Royalties and license fees	235	194	46	46	-
Short term leases	7,196	7,931	8,340	-	-
Site expenses	2,991	19,307	3,675	-	-
Secretarial fees	233	113	171	154	90
Security	3,102	878	875	714	380
Staff welfare	531	336	389	5,349	5,751
Subscriptions	79	187	576	-	-
Telephone and fax	335	307	499	339	252
Training	662	913	1,073	342	160
Transport and freight	3,096	3,646	4,001	3,055	2,273
Tavelling	898	1,436	949	-	-
	189,591	206,224	154,471	97,888	90,668

		2020	2019	2018	2017	2016
12	Finance income	N. mil	N. mil	N. mil	N. mil	N. mil
12.1	Dividend income					
	Equity instruments at fair value through other comprehensive income:					
	Listed investments - local	378	259	260	558	1,532
	Total dividend income	378	259	260	558	1,532
12.2	Interest income					
	Interest income on fixed deposits	14,264	13,126	33,284	27,970	27,082
	Finance lease receivables	2,420	1,150	-	-	-
	Interest income on operating account	5,704	7,846	17,969	14,749	1,271
	Interest on loans to entity under common contro	-	-	-	59,982	2,449
	Interest income on eurobond accounts	4,277	1,048	1,359	992	764
	Interest income on open market	53	515	7,452	4,847	3,393
	Interest income on treasury bills	7	19	382	72	2
	Total interest income	26,725	23,704	60,446	108,612	34,961
	Total finance income	27,103	23,963	60,706	109,170	36,493
13	Finance costs					
	Interest on lease liabilities	164	249	-	-	-
	Interest expense on loans and overdraft	218,491	181,363	125,737	80,296	55,723
	Current borrowings	-	-	-	158	267
	Other interest paid	-	-	-	610	209
	Total finance costs	218,655	181,612	125,737	81,064	56,199
	Less: Capitalised to qualifying assets	(2,031)	2,570	-	-	-
	Total finance costs expensed	216,624	184,182	125,737	81,064	56,199
14	Income tax	2020	2019	2018	2017	2016
	Major components of the tax expense (income)	N. mil	N. mil	N. mil	N. mil	N. mil
	Current					
	Income tax	62,680	50,462	(29,045)	45,908	11,748
	Prior year over provision	(25,251)	-	-	-	-
	Tertiary education tax	9,668	4,567	4,047	422	624
	Capital gains tax	-	-	-	305	-
		47,097	55,029	(24,998)	46,635	12,372
	Deferred					
	Originating and reversing temporary differences	109,492	3,350	(45,305)	17,819	(6,996)
		156,589	58,379	(70,303)	64,454	5,376

14 Taxation - Continued	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Reconciliation of the tax expense					
Reconciliation between accounting profit and tax expense.					
Profit before tax	382,689	94,681	198,428	428,936	249,754
Tax at the applicable tax rate of 30% for 2020, 2019, 2018, 2017 and 2016	114,807	28,404	101,585	128,681	74,926
Tax effect of adjustments on taxable income					
Income exempted from taxation	(94,307)	(180)	(167,524)	(59,105)	(66,173)
Non-deductible expenses	909	28,434	15,135	1,327	-
Tertiary education tax	9,668	-	-	-	-
Unused tax losses and offsets	28,028	(21,100)	(12,602)	(7,575)	(5,057)
Commencement rule	-	(20,617)	-	-	-
Different tax rates	(2,607)	-	-	-	-
Investment allowance	(6,670)	-	-	-	-
Deferred tax not recognised on net investment gains	13,533	-	-	-	-
Prior year over provision	(25,251)	-	-	-	-
Tax losses carried forward	(17,800)	42,910	-	-	-
Minimum tax	516	-	-	-	-
Others	135,763	528	(6,897)	1,126	1,680
	156,589	58,379	(70,303)	64,454	5,376

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004, as amended and Education Tax Act, CAP E4, LFN 2004

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Current tax payable	67,880	31,257	46,277	18,742	14,572
				-	-
Charge for the year	47,097	55,029	(24,998)	46,635	12,372
Over provision in prior year	-	-	9,978	-	-
Payment	(35,811)	(18,406)	-	(19,100)	(8,202)
Utilisation of WHT credit notes	(7,571)	-	-	-	-
	71,595	67,880	31,257	46,277	18,742

15 Deferred tax

Deferred tax liability					
Property plant and equipment	(42,032)	(9,632)	(9,601)	(9,642)	(5,137)
Other deferred tax liability	(134,079)	(100,670)	(90,480)	(62,656)	(56,634)
Total deferred tax liability	(176,111)	(110,302)	(100,081)	(72,298)	(61,771)
Deferred tax asset					
Deferred tax asset	17,679	60,068	49,970	61,379	66,361
Deferred tax liability	(176,111)	(110,302)	(100,081)	(72,298)	(61,771)
Deferred tax asset	17,679	60,068	49,970	61,379	66,361
Total net deferred tax liability/ (asset)	(158,432)	(50,234)	(50,111)	(10,919)	4,590

Summary of deferred tax assets/liabilities for the relevant year 2020, 2019,2018,2017 and 2016

	N' mill	N' mill	N' mill	N' mill	N' mill
Property, Plant & Equipment	(185,700)	(100,557)	(70,949)	(69,077)	(29,089)
Unrealized exchange gains	(13,874)	(8,673)	(7,982)	(14,598)	(12,825)
Provisions	4,540	12,801	1,631	508	8,555
Employee benefits	1,066	-	-	-	-
Tax losses	35,965	46,195	27,189	72,248	37,949
Right of Use Assets (Ifrs 16)	(429)	-	-	-	-
NET DEFERRED TAX (LIABILITIES)/ ASSETS	(158,432)	(50,234)	(50,111)	(10,919)	4,590

Reconciliation of deferred tax (liability)/ asset					
At beginning of year	(50,234)	(50,111)	(10,919)	4,590	(11,826)
Decrease in tax loss available for set off against future taxable income	(109,492)	(3,350)	45,305	(17,819)	6,996
Others	1,294	3,227	(84,497)	2,310	9,420
	(158,432)	(50,234)	(50,111)	(10,919)	4,590

The Tax authorities in various jurisdictions where the Group operate, reserve the right to audit the tax charges for the financial year ended 31 December 2020 and prior years. In cases where tax audits have been carried out and additional charges levied, we have responded to the tax authorities challenging the technical merits and made a provision we consider appropriate in line with the technical merits of issues raised by tax authorities.

16 Earnings and dividend per share

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Basic earnings per share (Naira)	66	24	128	161	112
Dividend per share	58	120	82	9	7
Profit for the year attributable to equity holders of the parent	131,524	47,992	255,377	322,766	223,588
Dividend paid	116,047	239,908	163,237	18,109	14,812
Weighted number of shares at the end of the year ('000)	2,000	2,000	2,000	2,000	2,000

17 Employee costs

The following items are included within employee benefits expense:

	2020	2019	2018	2017	2016
Direct employee costs	N. mil	N. mil	N. mil	N. mil	N. mil
Basic	45,332	44,630	42,912	34,613	31,125
Bonus	96	200	-	239	208
Medical aid - company contributions	13	77	113	114	119
Other payroll levies	50	44	36	30	19
Leave pay provision charge	556	395	327	320	399
Short term benefits	5,042	3,617	2,748	2,733	4,239
Other short term costs	1,659	1,097	825	715	696
Post employment benefits - pension				409	428
Termination benefits plan assets	9	9	6	9	10
Indirect employee costs					
Basic	56,115	42,672	37,742	19,628	14,672
Commissions	3	3	3	-	60
Bonus	235	93	156	184	940
Medical aid - company contributions	485	21	24	10	143
Other payroll levies	115	30	77	65	143
Leave pay provision charge	131		85	36	35
Short term benefit	2,559	14,772	12,674	6,811	12,187
Other short term costs	2,588	396	355	1,253	717
Post employment benefits - pension-				247	160
WCA	-	-	-	-	3
Long term benefits - incentive scheme	-	-	-	-	37
Termination benefits	16	3	3	2	5
Total employee costs					
Direct employee costs	53,621	50,580	47,445	39,182	37,243
Indirect employee costs	58,426	51,425	452	28,236	29,102

Average number of persons employed during the year

	2020	2019	2018	2017	2016
	Number	Number	Number	Number	Number
Management	1,049	1,187	1,106	846	822
Senior staff	8,425	8,619	8,440	5,645	5,554
Junior staff	14,765	14,990	14,889	15,365	14,185

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	2020	2019	2018	2017	2016
	Number	Number	Number	Number	Number
Up to N1,000,000	-	-	-	15,903	15,673
1,000,001 - 2,000,000	-	-	-	2,967	2,209
2,000,001 - 3,000,000	-	-	-	1,833	1,800
3,000,001 and above	-	-	-	1,153	879
N.0 - N.5,000,000	13,248	13,534	17,603	-	-
N.5,000,001 - N.10,000,000	5,389	5,513	2,872	-	-
N.10,000,001 - N.20,000,000	5,527	5,654	3,965	-	-
N.20,000,001 and above	75	95	95	-	-

		2020	2019	2018	2017	2016
18	Directors' emoluments	N. mil	N. mil	N. mil	N. mil	N. mil
	Short term benefits:					
	Executive compensation	2,797	1,895	2,154	3,359	792
	Highest paid director	448	429	429	200	200
		2020 Number	2019 Number	2018 Number	2017 Number	2016 Number
	Number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:					
	Below N.20,000,000	3	19	18	18	13
	Above N.20,000,000	24	15	15	15	20

19. Property, plant and equipment

	Land	Buildings	Leasehold property	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Mines equipment	Restoration cost	Bearer plants	Aircraft	Boats	Tools and equipment	Capital - Work in progress	Total
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
COST																
At 1 January 2016	1,085	139,086	30	792,664	5,524	111,948	-	2,396	-	-	-	11,711	931	3,164	128,427	1,196,966
Additions	-	12,738	237	68,312	4,134	47,334	-	558	-	-	2,387	-	4	156	66,403	202,263
Transfers	-	(716)	-	1,221	(10)	(457)	-	-	-	-	-	-	-	1,178	(15,049)	(13,833)
Reclassifications	-	(3,435)	-	5,436	(23)	229	-	-	-	-	-	-	-	22	(2,229)	-
Effect of foreign currency exchange	-	35,600	-	125,348	1,653	10,643	-	-	-	-	-	-	-	-	21,778	195,222
At 31 December 2016	1,085	183,273	267	993,181	11,278	169,697	-	2,954	-	-	2,387	11,711	935	4,520	199,330	1,580,618
At 1 January 2017	1,085	183,273	267	993,181	11,278	169,697	-	2,954	-	-	2,387	11,711	935	4,520	199,330	1,580,618
Additions	-	1,283	-	6,557	538	24,557	-	179	-	-	-	-	-	285	81,626	115,025
Transfers	-	372	-	(348)	8	(15,445)	-	1	-	-	-	-	-	-	(425)	(15,837)
Reclassifications	-	49,233	-	115,751	1,670	16,961	-	2	-	-	536	-	-	407	(184,560)	-
Disposal	-	-	-	(70)	(286)	(2,257)	-	-	-	-	-	-	-	(54)	(31)	(2,698)
Write-off	-	(44)	-	-	(22)	(18)	-	-	-	-	-	-	-	-	(86)	(170)
Effect of foreign currency exchange	-	14,867	-	20,518	411	4,295	-	-	-	-	-	-	-	-	15,614	55,705
At 31 December 2017	1,085	248,984	267	1,135,389	13,597	197,790	-	3,136	-	-	2,923	11,711	935	5,158	111,468	1,732,643
At 1 January 2018	1,085	248,984	267	1,135,389	13,597	197,790	-	3,136	-	-	2,923	11,711	935	5,158	111,468	1,732,643
Additions	5,581	7,831	3,665	20,677	450	9,815	-	147	-	-	-	-	-	4,262	98,652	151,080
Adjustments	-	-	-	(9)	-	(692)	-	-	-	-	-	-	-	-	(56)	(757)
Disposal	-	(1)	-	(1,631)	-	(2,066)	-	-	-	-	-	-	-	(29)	(287)	(4,014)
Transfers	-	-	-	-	-	-	-	-	-	-	3,812	-	-	4	(369)	3,447
Reclassifications	-	(1,529)	-	17,812	(1,799)	8,332	-	51	-	-	-	-	-	8	(22,875)	-
Effect of foreign currency exchange	-	2,688	-	(13,498)	(103)	(302)	-	-	-	-	-	-	-	-	(11,335)	(22,550)
Write-off	-	(44)	-	558	-	-	-	-	-	-	-	-	-	-	(86)	428
At 31 December 2018	6,666	257,929	3,932	1,159,498	12,145	212,877	-	3,334	-	-	6,735	11,711	935	9,403	175,112	1,860,277
At 1 January 2019 (restated)*	1,615	261,493	9,488	1,168,960	14,421	215,704	9,417	3,645	-	-	4,071	27,088	4,156	-	1,481,984	3,202,042
Additions	357	2,190	1,216	33,610	1,103	18,036	930	881	140	-	1,536	9,740	-	-	1,028,634	1,098,373
Disposals and scrappings	-	(1)	-	(1,698)	-	(2,836)	(3)	-	-	-	-	-	-	-	(785)	(5,323)
Transfers	-	(43)	-	(1,433)	-	-	-	-	-	-	-	-	-	-	(27,706)	(29,182)
Transfers (to) and from	-	-	-	1,991	-	-	-	-	-	-	-	-	-	-	-	1,991
Intangible assets Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(531)	(531)
Reclassifications	-	(3,078)	-	13,543	811	44,183	-	-	-	-	-	-	-	-	(55,459)	-
Foreign exchange movements	-	(3,510)	-	(19,266)	(114)	(5,091)	-	-	-	-	-	-	-	-	28,197	216
Write off	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	(70)	(71)
At 31 December 2019	1,972	257,051	10,704	1,195,707	16,220	269,998	10,344	4,526	140	-	5,607	36,828	4,156	-	2,454,264	4,267,515
At 1 January 2020	1,972	257,051	10,704	1,195,707	16,220	269,998	10,344	4,526	140	-	5,607	36,828	4,156	-	2,454,264	4,267,515
Additions	113	13,491	219	47,224	43	5,562	151	2,766	-	1,689	2,034	254	-	-	1,003,825	1,077,371
Disposal	-	-	-	(63)	-	(7,152)	-	-	-	-	-	-	(1,880)	-	-	(9,095)
Write off	-	-	(706)	(85)	(6)	(18)	-	-	-	-	-	-	-	-	(130)	(945)
Reclassifications	(108)	175	559	54,025	638	28,789	(1,120)	(3,424)	-	-	-	-	-	-	(79,534)	-
Foreign exchange movements	-	18,175	-	28,948	933	5,491	-	87	-	-	-	-	431	-	394,426	448,491
Write off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,685)	(3,685)
At 31 December 2020	1,977	288,892	10,776	1,325,756	17,828	302,668	9,375	3,955	140	1,689	7,641	37,082	2,707	-	3,769,166	5,779,652

19. Property, plant and equipment

	Land	Buildings	Leasehold property	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Mines equipment	Restoration cost	Bearer plants	Aircraft	Boats	Tools and equipment	Capital - Work in progress	Total
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
ACCUMULATED DEPRECIATION AND IMPAIRMENT																
At 1 January 2016	-	11,409	-	121,088	3,212	45,475	-	1,639	-	-	-	2,349	86	2,953	-	188,211
Charge for the year	-	51,779	-	7,629	156	20,015	-	456	-	-	147	2,845	38	612	-	83,677
Effect of foreign currency exchange differences	-	1,355	-	9,416	314	10,484	-	237	-	-	-	-	-	(2)	-	21,804
Transfer	-	-	-	13,883	4,178	(402)	-	20	-	-	507	(2,135)	-	-	-	16,051
Impairment of asset	-	-	-	(2,639)	-	333	-	-	-	-	-	-	-	-	-	(2,306)
At 31 December 2016	-	64,543	-	149,377	7,860	75,905	-	2,352	-	-	654	3,059	124	3,563	-	307,437
At 1 January 2017	-	64,543	-	149,377	7,860	75,905	-	2,352	-	-	654	3,059	124	3,563	-	307,437
Charge for the year	-	8,011	-	53,591	1,170	30,922	-	441	-	-	518	710	38	655	-	96,056
Reclassifications	-	898	-	28	-	(926)	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(43)	(276)	(2,163)	-	-	-	-	-	-	-	(45)	-	(2,527)
Effect of foreign currency exchange differences	-	913	-	3,246	209	1,239	-	-	-	-	-	-	-	-	-	5,607
Transfer	-	52	142	100	8	(12)	-	(28)	-	-		1	-	(194)	-	69
Impairment/(writebacks)	-	1	-	62	(18)	(18)	-	-	-	-		-	-	2	-	29
At 31 December 2017	-	74,418	142	206,361	8,953	104,947	-	2,765	-	-	1,172	3,770	162	3,981	-	406,671
At 1 January 2018	-	74,418	142	206,361	8,953	104,947	-	2,765	-	-	1,172	3,770	162	3,981	-	406,671
Charge for the year	-	9,368	-	-	-	-	-	-	-	-	-	-	-	-	-	9,368
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	(42,684)	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,684)
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	(1,845)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2018	-	39,257	142	206,361	8,953	104,947	-	2,765	-	-	1,172	3,770	162	3,981	-	373,355
At 1 January 2019 (restated)*	-	39,668	244	308,336	9,120	145,575	6,258	3,200	-	-	1,844	6,502	3,341	-	-	524,088
Disposals	-	-	-	(20)	-	(770)	-	-	-	-	-	-	-	-	-	(790)
Transfers from intangible assets	-	-	-	238	-	-	-	-	-	-	-	-	-	-	-	238
Reclassifications	-	4,638	35	(19,201)	1,150	13,937	1,135	11	(1,625)	-	913	(994)	1	-	-	-
Charge for the year	-	4,421	191	78,481	675	26,858	48	263	1,765	-	-	3,380	843	-	-	116,925
Foreign exchange movements	-	(612)	-	(718)	(52)	(3,982)	-	-	-	-	-	-	-	-	-	(5,364)
At 31 December 2019	-	48,115	470	367,116	10,893	181,618	7,441	3,474	140	-	2,757	8,888	4,185	-	-	635,097
At 1 January 2020	-	48,115	470	367,116	10,893	181,618	7,441	3,474	140	-	2,757	8,888	4,185	-	-	635,097
Disposals	-	-	-	(63)	-	(7,148)	-	-	-	-	-	-	-	-	-	(7,211)
Write off	-	-	(255)	(52)	(4)	100	-	-	-	-	-	-	-	-	-	(211)
Reclassifications	-	(2,633)	235	11,737	(334)	(5,968)	(1,851)	(335)	(1,339)	13	-	1,085	(410)	-	-	-
Charge for the year	-	10,633	332	61,068	2,117	33,423	1,279	205	633	138	1,977	710	447	-	-	112,962
Foreign exchange movements	-	2,690	-	(31,893)	485	1,914	-	75	706	-	-	-	1,164	-	-	(24,861)
At 31 December 2020	-	58,805	782	407,911	12,957	203,939	6,869	3,419	140	151	4,734	10,683	5,386	-	-	715,776

19. Property, plant and equipment

	Land	Buildings	Leasehold property	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Mines equipment	Restoration cost	Bearer plants	Aircraft	Boats	Tools and equipment	Capital - Work in progress	Total
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mi	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
CARRYING AMOUNT																
Cost	1,085	183,273	267	993,181	11,278	169,697	-	2,954	-	-	2,387	11,711	935	4,520	199,330	1,580,618
Accumulated depreciation and impairment	-	(64,543)	-	(149,377)	(7,860)	(75,905)	-	(2,352)	-	-	(654)	(3,059)	(124)	(3,563)	-	(307,437)
At 31 December 2016	1,085	118,730	267	843,804	3,418	93,792	-	602	-	-	1,733	8,652	811	957	199,330	1,273,181
Cost	1,085	248,984	267	1,135,589	13,597	197,790	-	3,136	-	-	2,923	11,711	935	5,158	111,468	1,732,643
Accumulated depreciation and impairment	-	(74,418)	(142)	(206,361)	(8,953)	(104,947)	-	(2,765)	-	-	(1,172)	(3,770)	(162)	(3,981)	-	(406,671)
At 31 December 2017	1,085	174,566	125	929,228	4,644	92,843	-	371	-	-	1,751	7,941	773	1,177	111,468	1,325,972
Cost	1,615	261,493	9,488	1,168,960	14,421	215,704	9,417	3,645	-	-	4,071	27,088	4,156	-	1,481,984	3,202,042
Accumulated depreciation and impairment	-	(39,668)	(244)	(308,336)	(9,120)	(145,575)	(6,258)	(3,200)	-	-	(1,844)	(6,502)	(3,341)	-	-	(524,088)
At 31 December 2018	1,615	221,825	9,244	860,624	5,301	70,129	3,156	445	-	-	2,227	20,586	815	-	1,481,984	2,677,954
Cost	1,972	257,051	10,704	1,195,707	16,220	269,996	10,344	4,526	140	-	5,607	36,828	4,156	-	2,454,264	4,267,515
Accumulated depreciation and impairment	-	(48,115)	(470)	(367,116)	(10,893)	(181,618)	(7,441)	(3,474)	(140)	-	(2,757)	(8,888)	(4,185)	-	-	(635,097)
At 31 December 2019	1,972	208,936	10,234	828,591	5,327	88,378	2,903	1,052	-	-	2,850	27,940	(29)	-	2,454,264	3,632,418
CARRYING AMOUNT																
Cost	1,977	288,892	10,776	1,325,756	17,828	302,668	9,375	3,955	140	1,689	7,641	37,082	2,707	-	3,769,166	5,779,652
Accumulated depreciation and impairment	-	(58,805)	(782)	(407,911)	(12,957)	(203,939)	(6,869)	(3,419)	(140)	(151)	(4,734)	(10,683)	(5,386)	-	-	(715,776)
At 31 December 2020	1,977	230,087	9,994	917,845	4,871	98,729	2,506	536	-	1,538	2,907	26,399	(2,679)	-	3,769,166	5,063,876

* See Note 56 for the effects of restatement.
Borrowing cost capitalised to property, plant and equipment for the Group was N2.03 billion (2019: N2.57 billion) calculated at an average interest rate of 7.5% and 10.87% respectively.

Reclassifications - Represents transfer from capital work in progress to various classes of assets

Transfers - Represents assets transferred to related parties and cost of completed software's now transferred to intangible assets.

Impairments - Represents write-off and impairment on damaged motor trucks and plant & machinery charged to profit or loss.

Assets pledged - Some borrowings are secured by a debenture on all the fixed and floating assets of the Group.

At 31 December 2020, the Group had contractual commitments for the acquisition of property, plant and equipment of N127.67 billion, 2019: N209.19 billion, 2017: N105.60 billion, 2016: N 470.29 million.

	Buildings	Plant and machinery Restated *	Motor vehicles Restated *	Total
	N. mil	N. mil	N. mil	N. mil
20 Right of Use Assets (Group as Lessee)				
Cost				
At 1 January 2019	16,149	283	1,129	21,389
Additions	386	86	90	562
Disposals and scrappings	-	(72)	(98)	(170)
Foreign exchange movements	(270)	7	26	(237)
At 31 December 2019	**16,265**	**304**	**1,147**	**21,544**
At 1 January 2020	16,265	304	1,147	17,716
Additions	1,406	613	37	2,056
Foreign exchange movements	885	177	238	1,172
Write off	(324)	-	-	(324)
At 31 December 2020	**18,232**	**1,094**	**1,422**	**20,620**
Accumulated depreciation and impairment				
At 1 January 2019	-	-	-	-
Transfers (from) property, plant and eq	(3)	-	-	(3)
Depreciation	(2,118)	(135)	(383)	(2,636)
At 31 December 2019	**(2,121)**	**(135)**	**(383)**	**(2,639)**
At 1 January 2020	(2,121)	(135)	(383)	(2,639)
Depreciation	(1,554)	(257)	(253)	(2,064)
Foreign exchange movements	(1,247)	(76)	(125)	(1,064)
Write off	324	-	-	324
At 31 December 2020	**(4,589)**	**(468)**	**(761)**	**(5,443)**
Carrying amount				
Cost	16,265	304	1,147	17,716
Accumulated depreciation and impairment	(2,121)	(135)	(383)	(2,639)
At 31 December 2019	**14,144**	**169**	**764**	**15,077**
Cost	18,232	1,094	1,422	20,748
Accumulated depreciation and impairment	(4,598)	(468)	(761)	(5,827)
At 31 December 2020	**13,634**	**626**	**661**	**14,921**

21. Goodwill

	31 December 2018				31 December 2017			31 December 2016		
	Cost	Accumulated impairment loss	Carrying amount	Cost	Cost	Accumulated impairment loss	Carrying amount	Cost	Accumulated impairment loss	Carrying amount
	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million
Dangote Flour Mills	3,170	3,170	-	3,170	3,170	-	3,170	3,170	-	3,170
Twister	1,514	1,514	-	1,514	1,514	1,514	-	1,514	-	1,514
	4,684	4,684	-	4,684	4,684	1,514	3,170	4,684	-	4,684

The carrying amount of goodwill as at 31 December 2019 and 2020 was nil.

Goodwill has been assessed for impairment as part of the annual mandatory impairment testing. Goodwill was apportioned to Cash Generating Units (CGUs) that are expected to benefit from the respective business combinations on the basis of management expectation of the benefit to be derived from the synergy. As the carrying value of the assets of the CGU to which the Goodwill was allocated is lower than the recoverable amount, Management did not recognize any impairment loss on the Goodwill.

Allocation of goodwill to cash generating units (CGU)
Goodwill was apportioned to CGUs that are expected to benefit from the synergies of the respective business combinations on the basis of their net asset values. Goodwill has been allocated for impairment test purposes to the following cash-generating units:

DIL Power Limited
Dangote Global Services Limited
Dangote Agrosacks Limited
Greenview Development Nigeria Limited
Dangote Rice Limited
Dangote Cement Plc
Dangote Aviation Limited
National Salt Company of Nigeria
Dangote Sugar Refinery

The carrying amount of goodwill was allocated to the cash generating units as follows:

	2017			2016		
	Dangote Flour Mills Plc	Twister	Total	Dangote Flour Mills Plc	Twister	Total
	₦' million	₦' million	₦' million	₦' million	₦' million	₦' million
Dangote Agrosacks Ltd	58	-	58	58	27	85
Greenview Development Nigeria Limited	42	-	42	42	20	62
Dangote Rice Limited	1	-	1	1	1	2
Dangote Cement Plc	2,795	-	2,795	2,795	1,334	4,129
Dangote Aviation Limited	2	-	2	2	1	3
National Salt Company of Nigeria	28	-	28	28	13	41
Dangote Sugar Refinery	244	-	244	244	116	360
	3,170	-	3,170	3,170	1,512	4,682

Cash Generating Units
The recoverable amount of the cash generating units is determined based on a value in use calculation which uses cash flow projections based on five year projection of current year EBITDA and an average cost of capital of 12% per annum. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Key forecast assumptions
The key assumptions used in the value in use calculations for the cash generating units are as follows:
1. Discount rate: 12% (2016: 12%)
2. Net cash flow: The Net cash flow is based on 5-year forecast using 2017 as the base year.
3. Budgeted earnings before interest, depreciation, tax, depreciation and amortization (EBITDA) growth rate: The Growth rate of 11% has been applied based on management expectations of improvement in performance of the Company.
4. Inflation rate: Inflation rate is based on forecast consumer price indices for the country during the period. The value assigned to the key assumption is consistent with external sources of information.
The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average rowth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years.

22 Intangible assets

	License - Investment in OML 71/72Licenses and franchises	Computer software	Exploration assets	Total
Cost	N. mil	N. mil	N. mil	N. mil
Balance at 1 January 2016	-	4,736	2,886	7,622
Additions	-	661	85	746
Reclassification	-	4,515	-	4,515
Effect of foreign currency exchange differences	-	718	941	1,659
Balance at 31 December, 2016	**-**	**10,630**	**3,912**	**14,542**
Cost				
Balance at 1 January 2017	-	10,630	3,912	14,542
Additions	-	598	1,396	1,994
Reclassification	-	8	347	355
Effect of foreign currency exchange differences	-	465	464	929
Balance at 31 December, 2017	**-**	**11,701**	**6,119**	**17,820**
Cost				
Balance at 1 January 2018	125,984	**11,701**	**6,119**	143,804
Additions	-	254	542	796
Effect of restatement	-	157	-	157
Effect of foreign currency exchange differences	-	(4,639)	(616)	(5,255)
Balance at 31 December, 2018	**125,984**	**7,473**	**6,045**	**139,502**
Cost				
At 1 January 2019	125,984	7,473	6,045	139,502
Additions	-	103	117	220
Transfers	-	-	(1,991)	(1,991)
Foreign exchange movements	-	(319)	(47)	(366)
At 31 December 2019	125,984	7,257	4,124	137,365
Cost				
At 1 January 2020	125,984	**7,257**	**4,124**	**137,365**
Additions	-	527	298	825
Disposals and retirements	-	-	-	-
Transfers	-	-	851	851
Foreign exchange movements	28,774	525	1,358	30,657
Write off	-	(376)	(1,606)	(1,982)
Balance as at 31 December, 2020	154,758	7,933	5,025	167,716

22 Intangible assets - Continued

Cost	License - Investment in OML 71/72Licenses and franchises N. mil	Computer software N. mil	Exploration assets N. mil	Total N. mil
Accumulated Amortisation				
Balance at 1 January 2016	-	2,262	24	2,286
Charge for the year	-	682	17	699
Reclassification	-	5,006	-	5,006
Effect of foreign currency exchange differences	-	223	23	246
Balance at 31 December, 2016	-	8,174	64	8,238
Balance at 1 January 2017	-	8,174	64	8,238
Charge for the year	-	875	67	942
Effect of foreign currency exchange differences	-	134	16	150
Balance at 31 December, 2017	-	9,231	147	9,378
Balance at 1 January 2018	-	9,231	147	9,378
Charge for the year	-	134	-	134
Effect of restatement	-	(4,128)	60	(4,068)
Effect of foreign currency exchange differences	-	134	16	150
Balance at 31 December, 2018	-	5,371	223	5,594
At 1 January 2019	-	(5,371)	(223)	(5,594)
Transfers	-	-	238	238
Amortisation	-	(475)	(103)	(578)
Effect of foreign currency exchange differences	-	(60)	8	(52)
At 31 December 2019	-	(5,906)	(80)	(5,986)
Balance at 1 January 2020	-	(5,906)	(80)	(5,986)
Transfers	-	-	143	143
Amortisation	-	(311)	(60)	(371)
Effect of foreign currency exchange differences	-	(332)	(265)	(597)
Write off	-	304	-	304
At 31 December 2020	-	(6,245)	(262)	(6,507)

22 Intangible assets - Continued

	Investment in OML 71/72Licenses and franchises	Computer software	Exploration assets	Total
	N. mil	N. mil	N. mil	N. mil
Carrying amount				
Cost	-	10,630	3,912	14,542
Accumulated depreciation and impairment	-	(8,174)	(64)	(8,238)
At December 31, 2016	-	2,456	3,848	6,304
Cost	-	11,701	6,119	17,820
Accumulated depreciation and impairment	-	(9,231)	(147)	(9,378)
At December 31, 2017	-	2,470	5,972	8,442
Cost	125,984	7,473	6,045	139,502
Accumulated depreciation and impairment	-	(5,371)	(223)	(5,594)
At December 31, 2018	125,984	2,102	5,822	133,908
Cost	125,984	7,257	4,124	137,365
Accumulated depreciation and impairment	-	(5,906)	(80)	(5,986)
At 31 December 2019	125,984	1,351	4,044	131,379
Cost	154,758	7,933	5,025	167,716
Accumulated depreciation and impairment	-	(6,245)	(262)	(6,507)
At 31 December 2020	154,758	1,688	4,763	161,209

There are no development expensiture capitalised as internally generated intangible asset

Intangible assets(computer software) represent software which have useful life of 3 years and amortized on a straight line basis over these years.

* This represents exploration assets and software reclassified from property, plant and equipment on the completion of the plant construction.

23 Interests in subsidiaries including consolidated structured entities

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Subsidiaries	Country of Incorporation	Principal activities	Shareholding (%) 2020	2019
Direct interest			%	%
Dangote Fertilizer Limited	Nigeria	Manufacturer of fertilizers	9.8%	10%
Dangote Fertilizer Limited	Nigeria	Manufacturer of fertilizers	10%	10%
Dangote Oil Refining Company Limited	Nigeria	Oil refining	99%	99%
Dangote Agro sacks Limited	Nigeria	Manufacturing of sacks and agro-allied	99%	99%
Dangote Sinotruk West Africa Limited	Nigeria	Assemblage and sale of truck	65%	65%
Dangote Granite mine Limited	Nigeria	Mining and sale of granites	99%	99%
Dangote Dairies Limited	Nigeria	Selling & distribution of dairies	99%	99%
Dangote Tomato Farms Limited	Nigeria	Growing and selling of tomatoes	99%	99%
Dangote Soyabeans Limited	Nigeria	Growing and selling of soyabeans	99%	99%
Dangote Wheat Farms Limited	Nigeria	Growing and selling of wheat	99%	99%
Dangote Peugeot Automobile Nigeria Limited				
AG-Dangote Construction Limited	Nigeria	Construction	100%	100%
Dangote Sugar Refinery Plc	Nigeria	Manufacturing of sugar	68%	68%
WAEP Cooperative (Twister B.V.)	Netherlands	Gas provider	90%	90%
NASCON Allied industries Plc	Nigeria	Manufacturer of salt	62%	62%
Dangote Cement Plc	Nigeria	Manufacturer of cement	85%	85%
Integrated Steel Plc	Nigeria	Manufacturer of steel	95%	95%
Dancom Technologies Limited	Nigeria	Provider of telecom services	79%	79%
DIL Power Limited	Nigeria	Provider of power	98%	98%
Greenview Development Limited	Nigeria	Provision of warehousing and logistic serv	49%	49%
Dangote Oil and Gas Limited	Nigeria	Exploration and production of petroleum p	20%	20%
Dangote Global Services Limited	United Kingdom	Provision of support services	100%	100%
Dangote Coal Mines Limited	Nigeria	Exploration and production of coal	100%	100%
Dangote Aviation services Limited	Nigeria	Provision of aviation services	80%	80%
Dangote Rice Limited	Nigeria	Growing, refining, selling & distribution of	99%	99%
Dangote Agro sacks Limited	Nigeria	Manufacturing of sacks and agro-allied	99%	99%
Dangote Sinotruk West Africa Limited	Nigeria	Assemblage and sale of truck	65%	65%
Dangote Granite mine Limited	Nigeria	Mining and sale of granites	99%	99%
Dangote Dairies Limited	Nigeria	Selling & distribution of dairies	99%	99%
Dangote Tomato Farms Limited	Nigeria	Growing and selling of tomatoes	99%	99%
Dangote Soyabeans Limited	Nigeria	Growing and selling of soyabeans	99%	99%
Dangote Wheat Farms Limited	Nigeria	Growing and selling of wheat	99%	99%
Dangote Peugeot Automobile Limited	Nigeria	Assemblage and sale of cars	50%	50%

23 Interests in subsidiaries including consolidated structured entities (continued)

Subsidiaries	Country of Incorporation	Principal activities	Shareholding (%) 2020	2019
Indirect			%	%
Savannah Sugar Company Limited	Nigeria	Manufacturing of sugar	44%	44%
Sephaku Cement Limited	South Africa	Clinker and cement production	62%	62%
Dangote Industries (Ethiopia) Plc	Ethiopia	Cement production	75%	75%
Dangote Industries (Zambia) Limited	Zambia	Cement production 64.54 %	65%	
Dangote Cement Senegal S.A	Senegal	Cement production	77%	77%
Dangote Cement Cameroun S.A	Cameroun	Cement grinding	69%	69%
Dangote Industries Limited, Tanzania	Tanzania	Cement production 60.24%	60%	
Dangote Cement Congo S.A	Congo	Cement production	86%	86%
Dangote Cement (Sierra Leone) Limited	Sierra Leone	Bagging and distribution of cement	86%	86%
Dangote Cement Cote D'Ivoire S.A	Cote D'Ivoire	Bagging and distribution of cement	69%	69%
Dangote Industries Gabon S.A	Gabon	Cement production	69%	69%
Dangote Cement Ghana Limited	Ghana	Bagging and distribution of cement	86%	86%
Dangote Cement Liberia Limited	Liberia	Bagging and distribution of cement	86%	86%
Dangote Cement Marketing	Senegal	Selling and Distribution	86%	86%
Dangote Exploration and Assets	Nigeria	Exploration and production of petroleum products	99%	99%
West African Exploration and Production Limited	Nigeria	Nigeria Exploration and production of petroleum products	80%	80%
Obajana Agro Sacks Limited	Nigeria	Manufacturing of Sacks and Agro-Allied	74%	74%
Dangote Petroleum Refinery and Petrochemicals FZE	Nigeria	Exploration and production of petroleum	100%	100%

* Savannah Sugar Limited was merged with Dangote Sugar Refinery Limited during the 2019 reporting year

Restrictions relating to subsidiaries

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interests 2020	2019	2018
Dangote Oil and Gas Limited	Nigeria	80%	80%	80%
Greenview Development Nigeria Limited	Nigeria	51%	51%	51%
NASCON Allied Industries Plc	Nigeria	38%	38%	38%
Dangote Sugar Refinery Plc	Nigeria	32%	32%	32%
Dangote Sinotruk West Africa Limited	Nigeria	5%	35%	35%
Dangote Oil Refining Company Limited	Nigeria	91%	91%	91%
Dangote Fertilizer Limited	Nigeria	90%	90%	90%

Summarised statement of financial position

Dangote Oil and Gas Limited	Nigeria	80%	80%	80%
Greenview Development Nigeria Limited	Nigeria	51%	51%	51%
NASCON Allied Industries Plc	Nigeria	38%	38%	38%
Dangote Sugar Refinery Plc	Nigeria	32%	32%	32%
Dangote Sinotruk West Africa Limited	Nigeria	5%	35%	35%
Dangote Oil Refining Company Limited	Nigeria	91%	91%	91%
Dangote Fertilizer Limited	Nigeria	90%	90%	90%

23 Interests in subsidiaries including consolidated structured entities (continued)

Summarised statement of financial position

	Non current assets N. mil	Current assets N. mil	Total assets N. mil	Non current liabilities N. mil	Current liabilities N. mil	Total liabilities N. mil
Dangote Oil and Gas Limited	4,683	35,956	40,639	-	40,497	40,497
Greenview Development Nigeria Limited	16,429	4,617	21,046	172	6,020	6,192
NASCON Allied Industries Plc	20,398	23,911	44,309	6,068	25,522	31,590
Dangote Sugar Refinery Plc	101,734	176,299	278,033	11,271	142,049	153,320
Dangote Sinotruk West Africa Limited	1,283	116,235	117,518	159	116,613	116,772
Dangote Oil Refining Company Limited	3,336,570	809,237	4,145,807	2,768,920	233,929	3,002,849
Dangote Fertilizer Limited	549,571	55,029	604,600	18,964	215,974	234,938
Total	4,030,668	1,221,284	5,251,952	2,805,554	780,604	3,586,158

Summarised statement of profit or loss and other comprehensive income

	Revenue N. mil	Profit/(loss) before tax N. mil	Tax expense N. mil	Profit(loss) N. mil	Other comprehensive income N. mil	Total comprehensive income N. mil
Dangote Oil and Gas Limited	48	44	(10)	34	-	34
Greenview Development Nigeria Limited	5,633	44	73	117	-	117
NASCON Allied Industries Plc	28,010	3,907	(1,217)	2,690	-	2,690
Dangote Sugar Refinery Plc	214,298	45,622	(15,847)	29,775	-	29,775
Dangote Sinotruk West Africa Limited	27,819	482	-	482	-	482
Dangote Oil Refining Company Limited	-	64,155	-	64,155	148,485	212,640
Dangote Fertilizer Limited	-	(18,928)	-	(18,928)	-	(18,928)
Total	275,808	95,326	(17,001)	78,325	148,485	226,810

Summarised statement of financial position

	Non current assets N. mil	Current assets N. mil	Total assets N. mil	Non current liabilities N. mil	Current liabilities N. mil	Total liabilities N. mil
Dangote Oil and Gas Limited	4,683	12,109	16,792	6,040	19,641	25,681
Greenview Development Nigeria Limited	834	20,765	21,599	12	6,343	6,355
NASCON Allied Industries Plc	18,815	19,854	38,669	8,837	18,742	27,579
Dangote Sugar Refinery Plc	93,438	100,268	193,706	8,030	77,539	85,569
Dangote Sinotruk West Africa Limited	962	62,740	63,702	-	62,534	62,534
Dangote Oil Refining Company Limited	1,908,593	739,092	2,647,685	1,790,705	171,299	1,962,004
Dangote Fertilizer Limited	569,075	53,079	622,154	25,565	255,865	281,430
Total	2,596,400	1,007,907	3,604,307	1,839,189	611,963	2,451,152

Summarised statement of profit or loss and other comprehensive income

	Revenue	Profit before tax	Tax expense	Profit (loss)	Other comprehensive income	Other comprehensive income
Dangote Oil and Gas Limited	19	17	-	17	-	17
Greenview Development Nigeria Limited	3,650	1,567	-	1,567	-	1,567
NASCON Allied Industries Plc	27,488	2,769	(924)	1,845	-	1,845
Dangote Sugar Refinery Plc	161,086	29,820	(7,459)	22,361	-	22,361
Dangote Sinotruk West Africa Limited	34,277	1,118	-	1,118	-	1,118
Dangote Oil Refining Company Limited	-	(47,914)	-	(47,914)	(93,051)	(140,965)
Dangote Fertilizer Limited	-	(4,233)	-	(4,233)	-	(4,233)
Total	226,520	(16,856)	(8,383)	(25,239)	(93,051)	(118,290)

24 Joint arrangements

Joint ventures

Name of company interest	% ownership interest 2020	% ownership interest 2019	% ownership interest 2018	Carrying amount 2020	Carrying amount 2019	Carrying amount 2018
AG - Dangote Construction Company Ltd	-	50	50	-		

25 Impairment of joint arrangements

AG Dangote was incorporated on 18 June 2013 with an authorised share capital of 100m units with 50% taken up by the Dangote Industries Limited and the remaining

The Company's principal place of incorporation and operation is Nigeria.

The joint venture is accounted for using the equity method in these consolidated financial statements because the Group has significant influence. The share of profits for the periods prior to 2019 has not been recognised because the investment has been fully impaired.

During the year, the Company acquired the remaining 50% interest in AG Dangote previously held by Constructora Andrade Gutierrez S.A for N395 million. Hence, the Summarised financial information of material joint ventures

Summarised Statement of Profit or Loss and Other Comprehensive Income	AG - Dangote Construction Company Ltd 2020	2019	2018
	N. mil	N. mil	N. mil
Revenue	-	2,442	6,511
Other income and expenses	-	(3,107)	(6,979)
Profit before tax	-	(665)	(468)
Total comprehensive income	-	(665)	(468)

Summarised Statement of Financial Position	2020	2019	2018
Assets	N. mil	N. mil	N. mil
Non-current	-	2,243	2,713
Current assets	-	4,660	6,251
Total assets	-	6,903	8,964
Liabilities			
Non-current liabilities	-	(324)	(324)
Current liabilities	-	(7,803)	(8,932)
Total liabilities	-	(8,127)	(8,932)
Total net assets	-	15,354	18,220

The summarised information presented above reflects the financial statements of the joint ventures after adjusting for differences in accounting policies between the

26 Investments in associate

The following table lists all of the associates in the group:

	% ownership interest 2020	% o 2019	interest 2018	Carrying amount 2020	Carrying amount 2019	Carrying amount 2018
Societe des Ciments d' Onigbolo Dangote Cement Plc	43.%	43.%	43.%	5,711	4,961	4,312

Through Dangote Cement Plc, the Group holds an indirect 43% (2019: 43%) of the voting rights in Societe des Ciments d' Onigbolo, a company incorporated in the

Equity accounting is applied because the Group has significant influence. The financial year end for the Associate is 31 December 2020.

No dividend was received from the associate during the year (2019: Nil).

Movement in investment in associate	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
At 1 January	4,961	4,312	3,749	1,582	1,582
Share of profit/ (loss)	750	649	563	2,167	(154)
	5,711	4,961	4,312	3,749	1,582

27 Debt instruments measured at amortised cost

Debt instruments (at amortised cost) are presented at amortised cost, which is net of loss allowance, as follows:

	2020 N. mil	2019 N. mil	2018 N. mil	2017 N. mil	2016 N. mil
Cash call	2,977	2,977	2,977	-	-
Bonds	45,453	38,298	12,961	-	-
	48,430	41,275	15,938	-	-
Split between non-current and current portions					
Non-current assets	45,281	41,275	15,938	-	-
Current assets	3,149	-	-	-	-
	48,430	41,275	15,938	-	-

Cash call represents payments made for expenses incurred on the Oil Block. The total amount due is prorated based on the percentage of ownership. The amount stated above represents 51% of the expenses incurred to date.

28 Finance lease receivables

	2020 N. mil	2019 N. mil	2018 N. mil	2017 N. mil	,2016 N. mil
Gross investment in the lease due					
- within one year	6,919	5,967	3,349	2,691	-
- second year	7,043	5,967	3,349	8,523	-
- third year	4,141	3,026	4,235	-	-
- fourth year	3,340	2,179	-	-	-
- fifth year	953	-	-	-	-
Gross investment in the leases	22,396	17,139	10,933	11,214	-
Less: Unearned finance income	(7,301)	(1,588)	(2,078)	(2,992)	-
Present value of minimum lease payments receivabl	15,095	15,551	8,855	8,222	-
Less: Loss allowance	-	-	-	-	-
Net investment in the lease	15,095	15,551	8,855	8,222	-

	2020	2019	2018	2017	,2016
Non-current assets	9,846	11,285	6,475	6,614	-
Current assets	5,249	4,266	2,380	1,608	-
	15,095	15,551	8,855	8,222	-

The Group entered into finance lease arrangement for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 4.17 year (2019: 4.17 years). During the year the finance lease receivable increased because more trucks were distributed to customers on lease.

During the year, the Group recognised interest income on lease receivables of N2.42 billion (2019: N1.15 billion).

The average effective interest rate implicit in the contracts is 9% (2019: 14%; 2018: 14%; 2017: 14%; 2016: – %) per annum.

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period is Nil.

The Directors estimate the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. Taking into account the

None of the finance lease receivables have been pledged as security for liabilities or contingent liabilities.

29 Biological assets

Reconciliation of biological assets - Group

Cost	Sugar cane	Total
At 1 January 2016	3,437	3,437
Changes in fair value	2,644	2,644
Increase arising from purchases	595	595
Decrease arising from sales and biological assets classified	(3,668)	(3,668)
At 31 December 2016	**3,008**	**3,008**

Cost	Sugar cane	Total
At 1 January 2017	3,008	3,008
Changes in fair value	2,468	2,468
Increase arising from purchases	983	983
Decrease arising from sales and biological assets classified	(3,652)	(3,652)
At 31 December 2017	**2,807**	**2,807**

29 Biological assets (continued)

Cost	Sugar cane	Total
At 1 January 2018	2,807	2,807
Changes in fair value	(325)	(325)
Increase arising from purchases	998	998
Decrease arising from sales and biological assets classified	(1,639)	(1,639)
At 31 December 2018	**1,841**	**1,841**

Cost	Sugar cane	Total
At 1 January 2019	1,841	1,841
Additions	541	541
Gains or losses arising from changes in fair value less estimated point of sale cost	(313)	(313)
At 31 December 2019	2,069	2,069
Additions	-	-
Decreases due to harvest, death or sales	(24)	(24)
Gains or losses arising from changes in fair value less estimated point of sale cost	2,417	2,417
At 31 December 2020	4,462	4,462

Description of Biological assets and activities

Biological assets comprise of growing cane. The growing cane represents biological assets which are expected to be harvested as agricultural produce, intended for the production of sugar. The biological assets have been measured at fair value less cost to sell. As at 31 December 2020, the group has a total of 7,098.8 hectares of

None of the biological assets have restricted titles (2019: Nil; 2018: Nill; 2017: Nill; 2016: Nill).

Although management intends to continually develop more biological assets through the expansion of its agricultural activities, management has however not made any commitment for the development or acquisition of biological assets as at this date.

Pledged as security

The Group did not pledge any biological asset as security for any liability during the year.

Methods and assumptions used in determining fair value

The Group adopted the multi-period excess earnings method (MPEEM) under the income approach to estimate the fair value of the Biological assets. The MPEEM estimates the fair value of an asset based on the cash flows attributable to the asset after deducting the cash flows attributable to other assets (contributory assets). This approach is commonly used for sugarcane considering that land, plant and machinery and the bearer plant are accounted as property, plant and equipment in line with IAS 16 and considered as contributory assets for the purpose of MPEEM valuation.

The fair value of biological assets are determined based on unobservable inputs, using the best information available in the circumstances and therefore falls within the level 3 fair value category. Growing cane were valued using the income approach.

Changes in fair value of the biological asset are recognised in the statement of profit and loss.

Risk management strategy related to agricultural activities

Regulatory and environmental risk

The Group is subject to laws and regulations in the states in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply, demand and yield risks

The Group is exposed to risks arising from fluctuations in the prices of seedlings for cultivation as well as yield volumes. When possible, the Group manages these risks by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing. The Group manages yield volume risks by employing latest technology and sourcing for optimally viable seedlings.

Climate, diseases and other risks

The Group's biological assets are exposed to the risks of damage from climatic conditions, diseases, forest fires and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including insurance, use of environmentally friendly pesticides for the crops and leveraging on industry pest and disease surveys as well as other agricultural best practices.

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Key assumptions and inputs					
Industry out-grower price. (N per ton)	10,842	8,003	7,900	5,819	5,832
Average yield per hectare (tonnes)	86	63	60	60	70
Discount rate (%)	12	9	12	15	19

30 Prepayments	2020 N. mil	2019 N. mil	2018 N. mil	2017 N. mil	2016 N. mil
Prepaid rent and rates	2,423	3,121	4,728	2,668	2,928
Prepaid insurance	187	326	261	46	61
Other prepayments	78,877	32,732	31,603	3,227	1,793
Prepaid medical and housing	168	3,000	485	1,739	9,760
Prepaid lease	-	-	-	-	125
Prepaid professional fees	-	-	-	13,366	-
Project advance	166,196	300,653	319,361	34,445	28,475
Deposit for imports	3,027	8,828	14,942	13,104	49,962
	250,878	348,660	371,380	68,595	93,104
Current	90,508	30,858	31,423	37,609	79,902
Non-current	160,370	317,802	339,957	30,986	13,202
	250,878	348,660	371,380	68,595	93,104

Advances to contractors represent various advances for the purchase of LPFO and AGO together with advances for the construction of plants and other materials which were not received at the year end.
Deposit for imports represent letters of credit with various banks for importation of goods and deposit for raw salt which have not been received at year end.
Other prepayment relates to unamortised balance on advertisement and other related expenses paid in advance

31 Other Investments

The Group has capital contribution in Dangote Oil Refining Company Limited and Dangote Fertilizer Limited.
The Directors executed an agreement in 2018 with Dangote Oil Refining Company Limited and Dangote Fertilizer Limited to convert the outstanding related party loan (principal and interest) as at 30th J une, 2018 as disclosed in note above for the funding of their projects as capital contribution to the respective company's equity. In 2020, additional investment of N40.1 billion and N47.9 billion were made in Dangote Oil Refining Company Limited and Dangote Fertilizer Limited respectively.

32 Inventories	2020 N. mil	2019 N. mil	2018 N. mil	2017 N. mil	2016 N. mil
Raw materials	38,736	51,232	55,634	57,906	43,912
Work in progress	10,256	14,940	17,637	10,889	11,580
Finished goods	17,958	19,502	26,293	31,591	20,201
Merchandise	39,019	67,154	31,258	4,180	4,262
Engineering spares and other production supplies	45,678	32,823	26,810	18,508	18,710
Goods in transit	8,295	6,724	5,586	14,112	20,269
Chemicals and consumables	67,756	68,148	59,609	36,948	31,648
Packaging materials	5,728	5,604	5,052	12,105	3,000
	233,426	266,127	227,859	186,239	153,582
Inventories (write-downs)	(426)	(355)	(720)	(2,273)	(882)
	233,000	265,772	227,139	183,966	152,700

The cost of inventories recognised as an expense during the year was N300.0 billion (2019: N319.1 billion; 2018: N496.00billion; 2017: N462.04billion; 2016: N0.05billion)

No inventory was pledged as security during the five years.

		2020	2019	2018	2017	2016
35	Trade and other receivables	N. mil	N. mil	N. mil	N. mil	N. mil
	Financial instruments:					
	Trade debtors	37,689	43,739	47,375	47,189	47,117
	Impairment allowance on trade Receivables	(2,320)	(1,534)	(2,270)	(1,065)	(7,093)
	Trade receivables at amortised cost	35,369	42,205	45,105	46,124	40,024
	Due from related party (Note 49)	595,484	514,193	573,453	183,008	74,383
	Allowances for discounts, rebates and returns	(1,105)	(1,105)	-	-	
	Dangote Multi-purpose co-operative society	1	1	411	729	68
	Staff loan and advances	6,607	4,851	3,525	2,171	2,208
	Interest receivables	4,666	3,761	21,801	-	
	Other receivables	54,277	50,187	29,458	29,643	15,599
		695,299	614,093	673,753	261,675	132,282
	Loss allowance - related party	(1,838)	(2,113)	(1,712)	(2,558)	(2,238)
	Loss allowance - other receivables	(483)	(57)	(1,110)	(199)	(582)
		692,978	611,923	670,931	258,918	129,462
	Non-financial instruments:					
	Deposits	9,723	24,760	19,558	28,007	2,451
	VAT receivable	338	412	35	1,451	1,493
	Directors current account	1,183	-	-	(20,829)	30,194
	Withholding tax	2,945	1,868	4,435	2,450	11,601
	Prepayments and advances	-	610	306	286	-
		14,189	27,650	24,334	11,365	45,739
	Total trade and other receivables	707,167	639,573	695,265	270,283	175,201

Deposit represent letters of credit with various banks for importation of goods and other assets which have not been received at year end.

Exposure to credit risk

The Group is inherently exposed to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 720 days past due, except where there is adequate security, because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off is subject to enforcement activities.

Trade receivables are considered to be past due when they exceed the credit period granted. The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

33 Trade and other receivables – Continued

The loss allowance provision is determined as follows:

	2020		2019		2018	
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default
	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
Trade receivables						
Not past due: 2.69% (2019: 0.34%)	9,755	262	9,311	32	9,855	115
30 days past due: 2.94% (2019: 1.22%)	11,109	327	2,123	26	4,455	-
31 – 60 days past due: 2.71% (2019: 29.11%)	849	23	1,082	315	805	434
61 – 90 days past due: 3.72% (2010: 0%)	1,048	39	7	-	111	5
Over 90 days past due: 11.2% (2019: 3.72%)	14,928	1,669	31,216	1,161	32,149	1,716
Total		2,320		1,534		2,270

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
1 January	3,704	5,092	5,092	7,093	2,133
Provision raised/(reduced) on trade receivables	786	(736)	-	26	7,580
Increase/(reversal) on provision for other receivables	426	(1,053)	-	(45)	(671)
Increase/(reversal) on provision for related parties receivables	525	401	-	-	-
Write off	(800)	-	-	(6,009)	(1,949)
	4,641	3,704	5,092	1,065	7,093

34 Investments at fair value

Investments held by the Group which are measured at fair value, excluding derivatives are as follows:

Mandatorily at fair value through profit or loss:	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Carlye Sub Saharan Funds	19,458	16,212	14,547	-	-
Equity investments at fair value				-	-
through other comprehensive				-	-
income:				-	-
United Bank for Africa Plc	5,731	5,221	5,297	-	-
Dangote Projects	502	520	520	-	-
Jaiz International Plc	817	1,325	1,325	-	-
Dangote Energy Equity Resources	5	5	5	-	-
Ask Petroleum Limited	1	1	1	-	-
	26,514	23,284	21,695	-	-

Split between non-current and current portions					
Non-current assets	7,056	7,072	7,148	-	-
Current assets	19,458	16,212	14,547	-	-
	26,514	23,284	21,695	-	-

34 Investments at fair value – continued

	2020	2019	2018
	N. mil	N. mil	N. mil
Movement in Investments			
1 January	23,284	21,695	(2,159)
Addition	3,228	1,665	25,056
Fair value gain/(loss)	2	(76)	(1,202)
	26,514	23,284	21,695

Dangote Projects refer to investment in different projects that are yet to commence. The make up of these investments are: Ghana Kwama Project, Sub Sea Pipeline Production, Saipem Dangote E&C Limited, EWOGGS Project, Global Sugar Projects and Jigawa Sugar Project.

34.1 Other financial assets

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Available-for-sale financial assets (fair value)					
United Bank for Africa Plc	-	-	-	6,180	1,441
Carlye Sub Saharan Funds	-	-	-	10,937	9,207
	-	-	-	17,117	10,648
Available-for-sale financial assets (cost)					
Jaiz International Bank	-	-	-	1,325	1,325
Dangote Oil Refinery Company	-	-	-	475	475
Dangote Fertilizer Limited	-	-	-	98	98
Ask Petroleum Limited	-	-	-	1	1
Dangote Energy Equity Resources	-	-	-	5	5
	-	-	-	1,904	1,904
At fair value through profit or loss (designated)					
Derivatives	-	-	-	28,883	-
Others	-	-	-	469	-
	-	-	-	29,352	-
Held to maturity investments (at amortized cost)					
Euro bond	-	-	-	12,618	26,022
Others	-	-	-	2,977	3,042
	-	-	-	15,595	29,064
Loans and receivables (amortized cost)					
Receivables from Projects	-	-	-	1,236	3,734
Impairments on loans and receivables	-	-	-	(292)	-
	-	-	-	944	3,734
Total other financial assets	-	-	-	64,912	45,350

Other financial assets represents receivables majorly from East West Oil and Gas Project and Global Sugar Project.

	2020	2019	2018	2017	2016
Non-current assets					
Available-for-sale financial assets	-	-	-	6	6
Held-to-maturity financial assets	-	-	-	2,977	2,977
	-	-	-	2,983	2,983
Current assets					
At fair value through profit or loss	-	-	-	469	-
At fair value through profit or loss - held for trading	-	-	-	28,883	-
Available for sale	-	-	-	19,015	12,546
Held-to-maturity	-	-	-	12,618	26,087
Loans and recievables	-	-	-	944	3,734
	-	-	-	61,929	42,367
	-	-	-	64,912	45,350

35 Derivatives

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Non-hedging derivatives					
Foreign exchange contract	51,727	1,091	22,455	-	-
Split between non-current and current portions					
Current assets	51,831	1,091	22,455	-	-
Current liabilities	(104)	-	-	-	-
	51,727	1,091	22,455	-	-

35 Derivatives - Continued

The derivative contracts arise from outstanding foreign exchange forwards contracts on behalf of related parties with Central Bank of Nigeria through its agent banks.

Refer to note 52 Fair value information for details of valuation policies and processes.

Refer to note 51 Financial instruments and risk management further details.

	2020	2019	2018	2017	2016
36 Cash and cash equivalents	N. mil	N. mil	N. mil	N. mil	N. mil
Cash and cash equivalents consist of:					
Cash on hand	35	25	25	42	35
Bank balances	607,712	603,914	578,798	443,022	269,808
Short-term deposits	153,426	234,909	307,304	337,207	408,337
Treasury bills	2,839	801	2,970	28,796	40,682.00
Other cash and cash equivalents	-	13,092	61,337	-	-
Bank overdraft	(31,876)	(1,195)	(7,368)	(2,134)	(37)
	732,136	851,546	943,066	806,933	718,825
Current assets	764,012	852,741	950,434	809,067	718,862
Current liabilities	(31,876)	(1,195)	(7,368)	(2,134)	(37)
	732,136	851,546	943,066	806,933	718,825

37 Discontinued operations or disposal groups or non-current assets held for sale

Assets and liabilities

Non-current assets held for sale					
Other assets (Net)	869	869	869	869	871

Amount represents investment made by the Company in 2008 in Algeria for the intended purpose of expansion of the Company's activities through an Algerian Company SPA Dangote Algeria. Subsequent to the payment for the Land, the Algerian Government, without revoking the Algerian company's title to the Land, refused the siting of the proposed Refinery at the Port citing that the site is not suitable for the intended purpose.

The Company lost control over this company in 2010. The balance has been disclosed as an assets held for sale as at 31 December 2020 and 2019 as Management has obtained ownership to the land and is commited to selling the land.

	2020	2019	2018	2017	2016
38 Share capital	N. mil	N. mil	N. mil	N. mil	N. mil
Authorised					
2,000,000,000 Ordinary shares of N1 Each	2,000	2,000	2,000	2,000	2,000
Issued					
1,000,000,000 Ordinary shares of N1 each	1,000	1,000	1,000	1,000	1,000

	2020	2019	2018	2017	2016
39 Borrowings	N. mil	N. mil	N. mil	N. mil	N. mil
Held at amortised cost					
Term loan	2,071,417	1,614,463	1,355,137	-	-
Term loan relating to 2017 and 2016 (Note	-	-	-	814,067	796,009
Agric loan	-	-	-	-	2,000
Subordinated loans	-	-	-	28,241	-
Interest payable on loans	-	-	-	15,195	16,174
Bulk commodities loan	-	-	-	1,211	1,105
Loans from related entity	-	-	-	99,309	190,900
Commercial papers	110,970	137,505	-	-	-
Power loans	2,238	5,320	7,838	71	54
Bond	98,423	-	-	-	-
Debenture	39	-	-	39	39
	2,283,087	**1,757,288**	**1,362,975**	**958,133**	**1,006,281**
Split between non-current and current portions					
Non-current liabilities	1,994,859	1,586,442	1,331,677	826,361	621,835
Current liabilities	288,228	170,846	31,298	131,772	384,446
	2,283,087	1,757,288	1,362,975	958,133	1,006,281

39 Borrowings- Continued	2020	2019	2018	2017	2016
Reconciliation of borrowings/term loan	N. mil	N. mil	N. mil	N. mil	N. mil
1 January	1,757,288	1,362,975	814,067	-	-
Additions	574,306	441,956	661,914	-	-
Accrued interest	39,706	41,394	31,553	-	-
Exchange difference	251,964	(28,986)	(5,328)	-	-
Repayment	(340,177)	(60,051)	(139,251)	-	-
Reclassification	-	-	-	-	-
31 December	2,283,087	1,757,288	1,362,975	-	-

39.2 Reconciliation of term loan relating 2017 and 2016					
1 January	-	-	-	796,009	480,175
Additions	-	-	-	57,991	110,571
Accrued interest	-	-	-	14,817	15,486
Exchange difference	-	-	-	58,106	189,777
Repayment	-	-	-	(97,369)	-
Reclassification	-	-	-	(15,487)	-
31 December	-	-	-	814,067	796,009

Details of Borrowings

(a) Term Loans: These loans include commercial loans with varying interest rates, including fixed and floating rates, from various local and international commercial banks secured on fixed and floating assets of Dangote Industries Limited and its subsidiaries. The applicable rates range from 9% to 15% and the repayment period for these loans is between one and ten years.

The syndicated loans secured by Dangote Industries Limited for the development of its strategic projects makes up about 84% of the Group's Term Loans. The facility is secured by all the shares of Dangote Industries Limited in Dangote Cement Plc, Dangote Sugar Refinery Plc and Nascon Allied Industries Plc.

The breakdown of the outstanding amount of the term loan is:

- N1.68 trillion secured and N73.05 billion unsecured revolving time facility to Dangote Industries Limited
- N221.07 billion secured and unsecured facility to Dangote Cement Plc
- N66.49 billion secured facility to Dangote Oil Refining Company Limited
- N23.71 billion Dangote Fertilizer Limited secured facility
- N2.75 billion secured and unsecured facility to Dangote Rice Limited
- N1.18 billion secured and unsecured facility to Dangote Sugar Refinery Plc; and
- N236 million unsecured facility to Twister B.V.

Details of the securities are:

- First ranking security held by the Security Agents for and on behalf of the Finance Parties as follows:
- All asset debenture on the fixed and floating assets of Dangote Fertilizer Limited (DFL)
- All asset debenture on the fixed and floating assets of Dangote Oil Refinery Co. Limited (DORC)
- All assets of DIL by means of accession to existing security documents, and including new specific fixed share charges over DIL subsidiaries
- An assignment by way of security by Greenview of its right to receive dividends (to the extent declared) from DIL.
- An assignment by way of security by DIL of its right to receive dividends (to the extent declared) by DCP, NASCON and DSR.
- Unconditional guarantees from GreenView, DORC and DFL supported by appropriate Board Resolutions
- A Nigerian law floating charge granted by DIL over the Naira Dividend Collection Account held with GTBank in Lagos
- A Nigerian law fixed charge granted by DIL in respect of the Naira Debt Serve Reserve Account held with GTBank in Lagos.
- An English law floating charge granted by GreenView in respect of the Greenview Equity Account held with SCB in London and
- Subordination of intercompany loans and assignment of receivables under intercompany loans.

(b) Commercial paper was issued under a programme with a maximum face value of N150 billion. The tenure is between 90 days and 270 days with discount ranging from 4.0% to 8.0%.

(c) Power Loan: In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted Dangote Cement Plc (a subsidiary) the sum of N 24.5 billion long-term loan repayable over 10 years at an all-in annual interest rate of 7% for part financing or refinancing the construction cost of the power plants at the Company's factories under the Power and Aviation Intervention Fund. The loan has a moratorium of 12 months. Given the concessional terms at which the loan was secured, it is considered to have an element of government grant. Using prevailing market interest rates for an equivalent loan of 12.5%, the fair value of the loan is estimated higher, the difference between the gross proceeds and the fair value of the loan is the benefit derived from the low interest loan and is recognised as deferred income. The facility is secured by a debenture on all fixed and floating assets of the Dangote Cement Plc to be shared pari passu with existing lenders

(d) Dangote Cement Plc issued its series 1 Naira bond with a value of N100 billion and a coupon rate of 12.5% during the year. The tenure is for 5 years to mature in April 2025

(e) Debenture represents the debt owed to the Federal Government of Nigeria by Nascon Allied Industries Plc which was restructured by the Bureau for Public Enterprise. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria.

40. Loans from related parties	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Greenview International Corp	689,377	440,050	236,950	656,472	440,050
Bulk commodities Limited	76,021	44,976	43,153	52,506	25,388
Dangote Cement Plc	-	-	-	70,000	-
	765,398	485,026	280,103	778,978	465,438
Split between non-current and current portions					
Non-current liabilities	56,420	19,588	17,765	-	-
Current liabilities	708,978	465,438	262,338	778,978	465,438
	765,398	485,026	280,103	778,978	465,438
Movement in Related parties loan					
1 January	485,026	280,103	100,401	465,438	262,338
Addition	177,896	204,923	179,702	416,535	203,100
Repayment	-	-	-	(203,500)	-
Exchange difference	102,476	-	-	100,505	-
	765,398	485,026	280,103	778,978	465,438

41 Retirement benefits

Defined benefit plan

The Group operated funded defined benefit plan (gratuity) for qualifying employees in Nigeria. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age of 55. No other post-retirement benefits are provided to these employees. The scheme was discontinued in July 2013. Hence, no actuarial valuation was done for the Company as the Group has stopped accruing for staff gratuity.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities and money market instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest rate risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Present value of the defined benefit obligation-wholly unfunded	(2,056)	(2,185)	(3,277)	3,346	3,474
Fair value of plan assets	-	-	1,023	(1,038)	(1,038)
	(2,056)	(2,185)	(2,254)	2,308	2,436
Non-current liabilities	(1,086)	(1,205)	(1,284)	(2,308)	(2,436)
Current liabilities	(970)	(980)	(970)	-	-
	(2,056)	(2,185)	(2,254)	(2,308)	(2,436)

	2020	2019	2018
Movements in defined benefit obligation for the yea	N. mil	N. mil	N. mil
1 January	(2,185)	(2,254)	(2,285)
Expected return on plan assets	-	-	-
Benefits paid	129	69	31
	(2,056)	(2,185)	(2,254)

Movements in the fair value of plan assets for the year	2017	2016
	N. mil	N. mil
1 January	(1,038)	(974)
Expected return on plan assets	-	(104)
Benefits paid	-	40
	(1,038)	(1,038)

42 Long service award

The Group operates an unfunded defined benefit plan (long service award) for qualifying employees of the Group. Under the plan, the employees are entitled to benefits such as gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate on attainment of a specific number of years in service.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2020 by EY Nigeria (FRC registration number: FRC/2012/NAS/00000000738). The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk: A decrease in the bond interest rate will increase the plan liability

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

42 Long service award – Continued

Carrying value

The amount included in the statement of financial position arising from the Group's obligations in respect of its long service awards is as follows:

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Long service awards	3,581	-	-	-	-

The movement in the account during the year was as follows:

	2020	2019	2018	2017	2016
Net expense recognised in profit or Loss	3,713	-	-	-	-
Benefits paid	(132)	-	-	-	-
	3,581	-	-	-	-
Net expense recognised in profit or loss					
Service cost	2,683	-	-	-	-
Interest cost	294	-	-	-	-
Actuarial (gains)/ losses	736	-	-	-	-
	3,713	-	-	-	-

The actuarial gains and losses on long service awards are analyzed as follows:

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Change in economic assumption	736	-	-	-	-

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

Valuation at

	2020
Discount rate (per annum)	8.00%
Expected rate(s) of salary increases (per annum) 12.00%	12.00%
Average rate on inflation (per annum) 12.00%	12.00%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the long service awards obligation to the amount shown below.

2020			N.mil
Base	-		3,581
Discount rate	-	+1%	3,200
Salary increase		+1%	3,800
		-1%	3,300
Mortality experience		Age rated up by 1	3,500
		Age rated down by 1	3,600

43 Government grant

	2020	2019	2018	2017	2016
Non-current liabilities	28,852	30,389	8,424	355	629
Current liabilities	70	149	314	792	1,224
	28,922	30,538	8,738	1,147	1,853

This is deferred revenue mainly arising as a result of the benefit received from government loans. Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
At 1 January	30,538	8,738	11,131	1,853	1,390
Additions	10	22,042	-	-	893
Release of deferred income from government grant (Note 7)	(472)	(242)	(2,393)	(484)	(430)
Capitalised to property, plant and equipment	(1,154)	-	-	(222)	-
	28,922	30,538	8,738	1,147	1,853

		2020	2019	2018	2017	2016
44	Provisions	N. mil	N. mil	N. mil	N. mil	N. mil
	Non-current liabilities	9,593	3,684	2,753	3,453	3,344
	Current liabilities	145	-	-	2	-
		9,738	3,684	2,753	3,455	3,344
	Movement in Provision					
	At 1 January	3,684	2,753	3,455	3,344	-
	Addition during the year	1,689	701	-	-	-
	Reversal during the year	-	-	(789)	-	-
	Unwinding of discount	-	343	260	-	-
	Effect of foreign exchange difference	4,365	(113)	(173)	-	-
		9,738	3,684	2,753	3,455	3,344

The Group has obligations to settle environmental restoration and dismantling / decommissioning cost of property, plant and equipment. The expenditure is expected to be utilised at the end of the useful lives for the mines.

		2020	2019	2018	2017	2016
45	Lease liabilities	N. mil	N. mil	N. mil	N. mil	N. mil
	Minimum lease payments due					
	- within one year	3,752	2,021	-	-	-
	- in second to fifth year inclusive	11,289	10,044	-	-	-
	- later than five years	44,200	42,507	-	-	-
		59,241	54,572	-	-	-
	less: future finance charges	(43,234)	(39,672)	-	-	-
	Present value of minimum lease payments	16,007	14,900	-	-	-
	Non-current liabilities	8,982	9,157	-	-	-
	Current liabilities	3,593	2,021	-	-	-
		12,575	11,178	-	-	-
46	Trade and other payables					
	Financial instruments:					
	Trade payables	175,267	111,315	72,893	699,713	526,157
	Trade payables - related parties (Note 49)	113,414	136,144	122,723	234,561	109,896
	Dividend payable	6,149	3,113	3,493	-	-
	Accruals	101,061	162,755	9,392	-	-
	Payable to contractors	125,980	77,243	40,138	-	-
	Accrued audit fees	112	163	144	-	-
	Deferred income	24	82	884	-	-
	Other creditors	364,167	228,497	42,041	-	-
	Non-financial instruments:					
	Amounts received in advance	21	31	20	-	-
	Refund liability	1,592	-	-	-	-
	VAT	9,613	8,243	4,398	-	-
	Directors current account	(179)	4,051	17,843	-	-
	Withholding tax payable	24,413	17,566	7,308	-	-
	Pension payable	903	483	514	293	254
	Staff cost payable	1,627	1,706	2,467	-	-
	Deposits from customers	70,815	107,524	76,455	-	-
		994,979	858,916	400,713	934,567	636,307
	Financial instrument and non-financial instrument components of trade and other payables					
	At amortised cost	886,174	719,312	291,708	700,006	526,411
	Non-financial instruments	108,805	139,604	109,005	-	-
		994,979	858,916	400,713	700,006	526,411
	Movement in Pension payable					
	At 1 January	483	514	293	254	78
	Addition during the year	4,106	862	826	3,090	2,678
	Payment	(3,686)	(893)	(605)	(3,051)	(2,502)
		903	483	514	293	254

Outstanding staff pension deductions that have not been remitted as at year end have been accrued for in accordance with the Pension Reform Act, 2014. The employees of the Group are members of a state arranged Pension scheme which is 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.

The total expense recognised in profit or loss of N4.11 billion (2019: N0.86 billion) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

			2020	2019	2018	2017	2016
47	Contract liabilities		N. mil	N. mil	N. mil	N. mil	N. mil
	Construction contract		331	-	-	-	-
	Payments received in advance of delivery of performance obligations		331	-	-	-	-
	Split between non-current and current portions						
	Non-current liabilities		-	-	-	-	-
	Current liabilities		331	-	-	-	-
			331	-	-	-	-

			2020	2019	2018	2017	2016
48	Cash generated from operations						
	Profit before taxation		382,689	94,681	338,616	428,936	249,756
	Adjustments for:						
	Depreciation of property, plant and Equipment	(Note 19)	112,962	116,925	113,315	96,056	83,677
	Depreciation of right of use asset	(Note 20)	2,064	2,636	-	-	-
	Amortisation of intangible assets	(Note 22)	371	578	134	989	698
	scrappings and settlements of assets and liabilities		(13)	14	-	-	-
	(Profit)/loss on sale of non-current assets and disposal		-	-	35	(3,526)	60
	Losses (gains) on foreign exchange		354,440	(28,986)	-	(7,001)	-
	Income from equity accounted investments	(Note 26)	(750)	(649)	(563)	(2,167)	153
	Accrued Dividend income	(Note 12)	(378)	(259)	(260)	(558)	(1,530)
	Accrued interest income	(Note 12)	(26,725)	(23,704)	(111,649)	(140,790)	(34,961)
	Accrued Finance costs	(Note 13)	216,624	184,182	125,737	81,064	56,197
	Fair value (gains) losses	(Note 8)	(2,417)	313	-	(2,468)	(2,643)
	Net impairments and movements in credit loss allowances		5,422	(1,317)	-	-	-
	Goodwill		-	-	-	-	(4,683)
	Loan written off		-	-	-	-	(16,688)
	Provision for long service award		3,713	-			-
	Other non cash items		(472)	(242)	(2,393)	(52,649)	386
	Write-off of property, plant and equipment		734	531	637	199	(2,306)
	Utilisation of WHT credit notes		(7,571)	-	-	-	-
	Changes in working capital:						
	Trade and other receivables		(69,331)	57,080	33,264	13,543	(35,672)
	Related party receivable		-	-	54,612	(108,625)	74,521
	Related party payable		-	-	(124,636)	(124,665)	3,164
	Inventories		32,772	(38,633)	(42,674)	(31,266)	(76,513)
	Deferred tax asset		-	-	11,616	4,775	(52,829)
	Deferred tax liability		-	-	27,576	10,734	32,475
	Derivatives		(50,636)	21,364		-	-
	Other financial assets				1,958	(19,562)	(28,579)
	Prepayments		97,782	22,720	(16,288)	24,509	(29,501)
	Retirement benefit assets and liabilities		-	-	(54)	(128)	(3,167)
	Provisions		-	-	(697)	111	61
	Finance lease receivables		456	(6,696)		-	-
	Trade and other payables		(194,056)	401,619	56,819	298,260	245,718
	Contract Liabilities		331	-		-	-
	Deferred income		(1,144)	22,042	2,076	(706)	463
			856,867	824,199	467,181	465,065	458,257

49 Related parties

Ultimate parent company Greenview International Corp.

Parent company Greenview International Corp.

The ultimate control party is Alhaji Aliko Dangote who owns Greenview International Corp. of Cayman Island which has 99.9% ownership interest in the Dangote Industries Limited.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing.

Related party balances	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Amounts owed by related parties				-	-
Due from subsidiaries				-	-
Dangote Dairies Farm Limited	-	-	-	-	-
Integrated Steel Plc	-	-	-	-	-
Dangote Rice Limited	-	-	-	-	-
DANCOM Technologies Limited	-	-	-	-	-
Dangote Agrosacks Limited	-	-	-	-	-
Dangote Tomatoes Farms Limited			-	-	-
AG Dangote Construction Limited	-	-	-	-	-
Nascon Industries and Allied Plc	-	-	-	-	-
Dangote Exploration Assets Limited	-	-	-	-	-
Dangote Sugar Refinery Limited	-	-	-	-	-
Greenview Development Nigeria Limited	-	-	-	-	-
Dangote Granite Limited	-	-	-	-	-
Dangote Coal Mining Limited	-	-	-	-	-
West Africa Exploration Production Company	-	-	-	-	-
Dangote Exploration Assets Limited	-	-	-	-	-
WAEP Cooperative (Twister B.V.)	-	-	-	-	-
Dangote Oil and Gas Limited	-	-	-	-	-
Dangote Oil Refinery Company	-	-	-	884,084	468,584
Dangote Fertilizer Limited	-	-	-	206,272	175,151
Dangote Cement Plc	-	-	-		
Dangote Sinotruks West Africa Ltd	-	-	-		
Savannah Sugar Company Limited	-	-	-	-	465
Others	-	-	-	-	-
Dangote Peugeot Automobile Nigeria Limited	-	-	-		
	-	-	-	1,090,356	644,200

Due from entities under common control	2020	2019	2018	2017	2016
Greenview International Corp	543,851	459,855	549,855	-	-
Solar Plant Project	1	-	-	1	-
Dangote Cement India	2	2	2	2	2
Kura Aviation Limited	4	-	-	4	-
Kura Holdings Limited	17	15	(8)	17	15
DIL Sheretti (A) District A/c	62	-	-	62	-
LAU Sugar Project	205	205	205	205	205
First E&P Limited	343	-	-	343	-

	2020	2019	2018	2017	2016
49 Related parties (continued)	N. mil	N. mil	N. mil	N. mil	N. mil
Dangote Nigeria Ltd (Central Stores)	349	349	349	349	349
MHF Properties Ltd	26	-	-	-	-
Dangote Nigeria Limited	2,982	3,621	4,876	4,733	4,902
Sigma Allied Product	752	948	1,144	1,144	1,339
Bluestar Service (rice)	863	863	863	863	863
Bluestar Oil Services Ltd	1,349	1,349	1,349	1,349	1,605
Salamed Venture Limited	1,350	1,350	1,350	1,350	1,350
Dangote Transport Nigeria Limited	3,064	3,417	3,257	3,071	3,064
Dangote Foundation	118	-	-		
Jigawa Sugar Project	9	-	-		
AG Dangote construction	-	-	-	440	218
Dangote ceramics	-	-	-	70	45
Dangote Fertilizer Limited	-	-	-	47,393	32,895
Dangote Exploration Assets Limited	-	-	-	694	175
Dangote Oil Refinery Company Limited	-	-	-	722	-
Dansa Food	11,061	11,004	11,398	10,024	9,494
Dangote Industries Free Trade Zone	17,647	16,639	16,161	15,881	15,688
Dangote University	-	4	4	4	-
Dangote General Services Limited	-	126	126	126	126
Nigeria Textiles Mills Limited	-	451	451	451	451
Bluestar Gas Processing and Transport Limited	27	700	694	-	-
Others	11,402	11,729	71,377	94,133	1,610
Total amount due from related Parties	595,484	514,193	573,453	183,008	74,383
Allowance for doubtful receivables	(1,838)	(2,113)	(1,712)	(2,558)	(2,238)
Net amount due from related parties	593,646	512,080	571,741	180,450	72,145
Amounts owed to related parties					
Due to subsidiaries					
DIL Power Limited	-	-	-	-	-
Dangote Aviation Services Limited	-	-	-	-	-
Dangote Flour Mills Plc	-	-	-	-	-
Dangote Global Services	-	-	-	-	-
Dangote Soyabeans Farm Limited	-	-	-	-	-
Dangote Wheat Farms Limited	-	-	-	-	-
Dangote Sugar Refinery Plc	-	-	-	-	-
Dangote Cements Plc	-	-	-	-	-
	-	-	-	-	-
Entities under common control					
Greenview International Corp	9,746	33,962	21,538	17,456	14,353
Bulk Commodities International Inc.	35,765	29,272	29,761	48,414	26,424
Development Project Corporation	18,808	18,808	18,777	147,646	45,040
Alheri Engineering Company	10,734	10,734	13,739	13,739	13,739
African Cement	253	-	-	-	-
Dangote Pasta Limited	-	-	2,733	2,733	2,733
Dangote Nigeria Limited	612	-	-	-	-
Dangote Cement	-	-	-	478	-
Dangote Oil Refinery Company Limited	-	-	-	4	4,150
Dangote Port Operations Limited	-	-	-	2,411	2,133
Blue Star Shipping Limited	1,596	1,904	2,608	-	-
Dangote University	53	-	-	-	-
Dangote Flour Mills Plc	-	-	-	-	-
Others	35,847	41,464	33,567	1,680	1,324
	113,414	136,144	122,723	254,561	109,896

	2020	2019	2018	2017	2016
49 Related parties (continued)	N. mil	N. mil	N. mil	N. mil	N. mil
Loans from related entity					
At 1 January	-	-	-	190,900	76,350
Additions during the year	-	-	-	-	131,050
Greenview International Corp	689,377	440,050	236,950	-	-
Bulk commodities Limited	76,021	44,976	43,153	-	-
Dangote Cement Plc	-	-	-	-	-
Payment during the year	-	-	-	(91,000)	(16,500)
	765,398	485,026	280,103	99,900	190,900
Loans to related entities/group companies					
Dangote Fertilizer Limited	-	-	-	-	-
Dangote Oil Refining Company Limited	-	-	-	-	-
Dangote Cement Plc	-	-	-	-	-
Nascon Allied Industries Plc	-	-	-	-	-
Dangote Flour Mills Plc	-	-	-	-	-
	-	-	-	-	-
Other related party					
Others	-	-	-	-	465
Dangote Fertilizer Ltd	-	-	-	206,272	175,151
Dangote Oil Refining Ltd	-	-	-	884,084	468,584
	-	-	-	1,090,356	644,200

Related party transactions

The Company usually grants both long and short term loan to subsidiaries to either facilitate project needs or for working capital needs. The interest on this loans varies among different subsidiaries.

Dangote Industries Limited facilitated intercompany loan to Dangote Oil Refining Company Limited and Dangote Fertilizer Limited to facilitate project needs. The loan facility is at an interest rate of 10% and 8.25% per annum to Dangote Oil Refining Company Limited and Dangote Fertilizer Limited respectively and accruing on a monthly basis and repayable on demand.

Compensation to directors and other key management						
Short-term employee benefits	2,969	1,969	2,262	1,009	716	693
Post-employment benefits - Pension	24	16	17	-	-	-
	2,993	1,985	2,279	1,009	716	693

50 Categories of financial instruments

Non- derivative financial assets					
Measured at Amortised cost					
Cash and cash equivalents (Note 36)	764,012	852,741	950,454	809,067	718,862
Finance lease receivables	15,095	15,551	8,855	8,222	-
Trade and other receivables (Note 33)	692,978	611,923	670,951	258,918	129,462
Debt instruments (at amortised cost)	48,430	41,275	15,938	-	-
Loans to related party (Note 49)	-	-	-	-	-
Fair value through OCI					
Equity instruments at fair value through OCI (Note	7,056	7,072	7,148	-	-
Fair value through P/L					
Derivative financial assets (Note 35)	51,831	1,091	22,455	-	-
Other financial assets (Note 34)	19,458	16,212	14,547	-	-
	1,598,860	1,545,865	1,690,308	1,076,207	848,324
Measured at Amortised cost					
Bank overdraft (Note 56)	31,876	1,195	7,368	2,134	37
Borrowings (Note 39)	2,283,087	1,757,288	1,362,975	958,133	1,006,281
Loans from related parties (Note 40)	765,398	485,026	280,103	778,978	465,438
Lease liabilities (Note 45)	12,575	11,178	-	-	-
Trade and other payables (Note 46)	886,174	719,312	291,708	700,006	526,411
	3,979,110	2,973,999	1,942,154	2,439,251	1,998,167

Trade and other receivables exclude prepayments, accrued income and amounts relating to taxation. Trade and other payables exclude advance received, taxation and statutory deductions.

51 Financial instruments and risk management

Capital risk management

The group's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to safeguard the group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

i. Debt is defined as both current and non-current borrowings.

ii. Equity includes all capital and reserves of the Group and Company that are managed as capital.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net gearing ratio which provides benefits and manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The capital structure and gearing ratio of the group at the reporting date was as follows:

	2020	2019	2018	2017	2016
	N. mil	N. mil	N. mil	N. mil	N. mil
Borrowings (Note 39)	2,283,087	1,757,288	1,362,975	958,133	1,006,281
Cash and cash equivalents (Note 36)	(732,136)	(851,546)	(943,066)	(806,933)	(718,825)
Net borrowings	1,550,951	905,742	419,909	151,200	287,456
Equity	2,189,986	2,099,318	2,280,085	1,932,205	1,469,274
Gearing ratio	71%	43%	18%	8%	20%

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

The Group's internal audit and risk management team is responsible for monitoring its exposure to each of the mentioned risks. This policy provides guidance over all treasury and finance-related matters and is underpinned by delegated authority guidelines and detailed procedures. The main objectives of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business, to maintain the integrity and liquidity of the investment portfolio, and to manage the impact of foreign exchange and interest rate volatility on the Group's net income.

51.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and credit limits are set, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group has a credit management committee that is responsible for carrying out preliminary credit checks, review and approval of bank guarantees to credit customers. A credit controller also monitors trade receivable balances and resolves credit related matters.

Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas. It also includes receivables from related parties. Ongoing credit evaluation is performed on the financial condition of customers in respect of trade receivable and, where appropriate, bank credit guarantee is obtained.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institution counterparties with high credit ratings assigned by established credit rating agencies.

51 Financial instrument and risk management - (continued)

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a general impairment model approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The impairment allowance on cash and cash equivalents is negligible.

Trade and Other receivables

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

		2020			2019			2018		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Debt instruments at amortised cost	26	48,430	-	48,430	41,275	-	41,275	15,938	-	15,938
Lease receivables	27	15,095	-	15,095	15,551	-	15,551	8,855	-	8,855
Trade receivables	32	37,689	(2,320)	35,369	43,739	(1,534)	42,205	47,375	(2,270)	45,105
Related party receivables	32	595,484	(1,838)	593,646	514,193	(2,113)	512,080	573,453	(1,712)	571,741
Other receivables	32	64,446	(483)	63,963	57,695	(57)	57,638	-	(1,110)	(1,110)
Cash and cash equivalents	36	764,012	-	764,012	852,741	-	852,741	950,434	-	950,434
		1,525,156	(4,641)	1,520,515	1,525,194	(3,704)	1,521,490	1,596,055	(5,092)	1,590,963

51.2 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.

51 Financial instruments and risk management (continued)

The Group manages 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's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares.

The Group's policy is that not more than 40% of borrowings should mature in the next 12-month period. 33% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 40%; 2018: 33%; 2017: 33%; 2016: 33%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Maturity analysis of financial liabilities

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2020		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 months	3 months to 1 year
Trade payables	46	175,267	175,267	-	175,267	-	-	
-Loans from group companies	40	765,398	765,398	-	-	765,398	-	-
Borrowings	39	2,283,087	2,283,087	513,324	80,524	110,083	1,270,669	308,487
Lease liabilities	45	12,575	16,007	-	-	3,593	-	12,414
Bank overdraft	36	31,876	31,876	31,876	-	-	-	-
Other payables	46	710,907	891,138	-	891,138	-	-	-
		3,979,110	4,162,773	545,200	1,146,929	879,074	1,270,669	320,901

Trade payables	46	111,315	111,31	5 -	111,315	-	-	-
Loans from group companies	40	485,026	485,026 -	-	485,026	-	-	
Borrowings	39	1,757,288	1,757,288	2,048	85,987	82,811	1,586,442	-
Lease liabilities	45	11,178	14,900	-	-	12,879	2,021	-
Bank overdraft		1,195	1,195	1,195	-	-	-	-
Other payables		607,997	861,850	-	861,850	-	-	-
		2,973,999	2,635,233	3,243	1,544,178	95,690	1,588,463	-

51.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, interest rates, equity prices

51.3.1 Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

The Group carries out certain transaction in US Dollars, and as such is exposed to variation in exchange rate movement.

Effective closing rate as at 31 December 2020 is N400.33 / US Dollar (2019: 338.5 / US Dollar).

Foreign currency exposure at the end of the reporting period

The net carrying amounts, in Naira, of the various exposures, are denominated in the following currencies. The amounts have been presented in Naira by converting the foreign currency amounts at the closing rate at the reporting date:

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 months	3 months to 1 year
Assets	26	301,261	453,654	559,522	3,011,760	2,190,630	1,644,491	
Liabilities	32	(2,343,288)	(1,854,772)	(1,221,779)	(2,343,288)	(1,854,772)	(1,221,779)	
Net US Dollar exposure		(2,042,027)	(1,401,118)	(662,257)	668,472	335,858	422,712	

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The following table details the Group and Company's sensitivity to a 3%, increase and decrease in the value of Naira against USD. Management believes that a 3% movement in either direction is reasonably possible at the reporting period. The sensitivity analysis below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 3% against the USD. For a 3% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

	2020	2020	2019	2019	2018	2018	2017	2017
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Increase or decrease in rate	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil	N. mil
Impact on profit or loss:								
Naira changes by 3% against the USD	(61,261)	61,261	(42,034)	42,034	(19,868)	19,868	(766)	766

	2016	2016
	Increase	Decrease
Impact on profit or loss:	N. mil	N. mil
Naira changes by 3% against the USD	(766)	766

51.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates, interest rates, equity prices

51.3.1 Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

The Group carries out certain transaction in US Dollars, and as such is exposed to variation in exchange rate movement.

Effective closing rate as at 31 December 2020 is N400.33 / US Dollar (2019: 338.5 / US Dollar).

Foreign currency exposure at the end of the reporting period

The net carrying amounts, in Naira, of the various exposures, are denominated in the following currencies. The amounts have been presented in Naira by converting the foreign currency amounts at the closing rate at the reporting date:

		Carrying amount	Total	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 months	3 months to 1 year
Assets	26	301,261	453,654	559,522	3,011,760	2,190,630	1,644,491	
Liabilities	32	(2,343,288)	(1,854,772)	(1,221,779)	(2,345,288)	(1,854,772)	(1,221,779)	
Net US Dollar exposure		(2,042,027)	(1,401,118)	(662,257)	668,472	335,858	422,712	

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The following table details the Group and Company's sensitivity to a 5%, increase and decrease in the value of Naira against USD. Management believes that a 5% movement in either direction is reasonably possible at the reporting period. The sensitivity analysis below include outstanding balances of USD denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 5% against the USD. For a 5% weakening of Naira against the USD there would be an equal and opposite impact on profit, and the balances below would be negative.

Increase or decrease in rate	2020 Increase N. mil	2020 Decrease N. mil	2019 Increase N. mil	2019 Decrease N. mil	2018 Increase N. mil	2018 Decrease N. mil	2017 Increase N. mil	2017 Decrease N. mil
Impact on profit or loss:								
Naira changes by 5% against the USD	(61,261)	61,261	(42,034)	42,034	(19,868)	19,868	(766)	766

Impact on profit or loss:	2016 Increase N. mil	2016 Decrease N. mil
Naira changes by 5% against the USD	(766)	766

52 Fair value information

Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

At 31 December 2020
Amounts in (N. mil)

		Fair value - through - PL	Financial assets measured at amortised cost	Fair-value-through-OCI	Total	Level 1	Level 2	Level 3	Total
Assets:									
Forward and futures exchange contracts	34	51,831	--		51,831	-	-	51,831	51,831
Equity securities	33	19,458	-	7,056	26,514	5,731	19,458	1,325	26,514
		71,289	-	7,056	78,345	5,731	19,458	53,156	78,345
Financial assets:									
Loan to group companies	35	-	-	-	-	-	-	-	-
Trade and other receivables	33	-	692,978	-	692,978	-	692,978	-	692,978
Cash and cash equivalents	36	-	764,012	-	764,012	764,012	-	-	764,012
Debt instrument	27	-	48,430	-	48,430	-	48,430	-	48,430
		-	1,505,420	-	1,505,420	764,012	741,408	-	1,505,420
Financial liabilities:									
Bank overdrafts	36	-	31,876	-	31,876	31,876	-	-	31,876
Forward and futures exchange contracts	34	104	-	-	104	-	-	104	104
Borrowings	39	-	2,283,087	-	2,283,087	-	2,283,087	-	2,283,087
Loan from related parties	40	-	765,398	-	765,398	-	765,398	-	765,398
Lease payable	45	-	12,575	-	12,575	-	12,575	-	12,575
Trade and other payables (excluding non-financial liabilities)	46	-	886,174	-	886,174	-	886,174	-	886,174
		104	3,979,110	-	3,979,214	31,876	3,947,234	104	3,979,214

52 Fair value information - Continued

At 31 December 2019

Amounts in (N. mil)

		Fair value - through - PL	Financial assets measured at amortised cost	Fair-value-through-OCI	Total	Level 1	Level 2	Level 3	Total
Assets:									
Forward and futures exchange contracts	34	1,091	-	-	1,091	-	-	1,091	1,091
Equity securities	33	16,212	-	7,066	23,278	5,221	16,212	1,845	23,278
		17,303	-	7,066	24,369	5,221	16,212	2,936	24,369
Financial assets:									
Trade and other receivables	33	-	611,923	-	611,923	-	611,923	-	611,923
Cash and cash equivalents	36	-	852,741	-	852,741	852,741	-	-	852,741
Debt instrument	27	-	41,275	-	41,275	-	41,275	-	41,275
		-	1,505,939	-	1,505,939	852,741	653,198	-	1,505,939
Financial liabilities:									
Bank overdrafts	36	-	1,195	-	1,195	1,195	-	-	1,195
Borrowings	39	-	1,757,288	-	1,757,288	-	1,757,288	-	1,757,288
Loan from related parties	40	-	485,026	-	485,026	-	485,026	-	485,026
Lease payable	45	-	11,178	-	11,178	-	11,178	-	11,178
Trade and other payables (excluding non-financial payables)	46	-	719,312	-	719,312	-	719,312	-	719,312
		-	2,973,999	-	2,973,999	1,195	2,972,804	-	2,973,999

At 31 December 2018

Amounts in (N. mil)

		Fair value - through - PL	Financial assets measured at amortised cost	Fair-value-through-OCI	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value									
Investment property		-	-	-	-	-	-	-	-
Forward and futures exchange contracts	34	22,455	-	-	22,455	-	-	-	22,455
Equity securities	33	14,547	-	7,148	21,695	5,718	14,547	1,430	21,695
		37,002	-	7,148	44,150	5,718	14,547	1,430	44,150
Financial assets not measured at fair value									
Trade and other receivables	33	-	670,931	-	670,931	-	670,931	-	670,931
Long term receivable	33	-	-	-	-	-	-	-	-
Cash and cash equivalents	36	-	950,434	-	950,434	950,434	-	-	950,434
Debt instrument	27	-	15,938	-	15,938	-	15,938	-	15,938
		-	1,637,303	-	1,637,303	950,434	686,869	-	1,637,303
Financial liabilities not measured at fair value									
Bank overdrafts	36	-	7,368	-	7,368		7,368	-	7,368
Borrowings	39	-	1,362,975	-	1,362,975	-	1,362,975	-	1,362,975
Loan from related parties	40	-	280,103	-	280,103	-	280,103	-	280,103
Trade and other payables (excluding non-financial payables)	46	-	291,708	-	291,708	-	291,708	-	291,708
		-	1,942,154	-	1,942,154	-	1,942,154	-	1,942,154

52 Fair value information - Continued

At 31 December 2017

Amounts in (N. mil)

		Fair value - through - PL	Financial assets measured at amortised cost	Fair-value-through-OCI	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value									
Investment property		-	-	-	-	-	-	-	-
Forward and futures exchange contracts	34	28,883	-	-	28,883	-	-	-	28,883
Equity securities	33	19,014	-	1,414	20,428	1,131	19,014	283	20,428
		47,897	-	1,414	49,311	1,131	19,014	283	49,311
Financial assets not measured at fair value									
Trade and other receivables	33	-	270,283	-	270,283	-	270,283	-	270,283
Cash and cash equivalents	36	-	809,067	-	809,067	809,067	-	-	809,067
Debt instrument	27	-	12,618	-	12,618	-	12,618	-	12,618
		-	1,091,968	-	1,091,968	809,067	282,901	-	1,091,968
Financial liabilities not measured at fair value									
Bank overdrafts	36	-	2,134	-	2,134	-	2,134	-	2,134
Borrowings	39	-	826,361	-	826,361	-	826,361	-	826,361
Loan from related parties	40	-	133,906	-	133,906	-	133,906	-	133,906
Trade and other payables (excluding non-financial payables)	46	-	559,269	-	559,269	-	559,269	-	559,269
		-	1,521,670	-	1,521,670	-	1,521,670	-	1,521,670

At 31 December 2016
Amounts in (N. mil)

	Note	Fair value - through - PL	Financial assets measured at amortised cost	Fair-value-through-OCI	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value									
Investment property		-	-	-	-	-	-	-	-
Forward and futures exchange contracts	34	-	-	-	-	-	-	-	-
Equity securities	33	12,546	-	2,983	15,529	2,386	12,546	597	15,529
		12,546	-	2,983	15,529	2,386	12,546	597	15,529
Financial assets not measured at fair value									
Trade and other receivables	33	-	175,201	-	175,201	-	175,201	-	175,201
Cash and cash equivalents	36	-	718,862	-	718,862	718,862	-	-	718,862
Debt instrument	27	-	26,022	-	26,022	-	26,022	-	26,022
		-	920,085	-	920,085	718,862	201,223	-	920,085
Financial liabilities not measured at fair value									
Bank overdrafts	36	-	37	-	37	-	37	-	37
Borrowings	39	-	621,835	-	621,835	-	621,835	-	621,835
Loan from related parties	40	-	384,483	-	384,483	-	384,483	-	384,483
Trade and other payables (excluding non-financial payables)	46	-	382,388	-	382,388	-	382,388	-	382,388
		-	1,388,743	-	1,388,743	-	1,388,743	-	1,388,743

52 Fair value information (continued)

Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and bank balances and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables. For loans and borrowings payable at fixed rates, fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period. Management has determined that the fair value of loans and borrowings is not significantly different from their carrying amount.

Fair value through OCI instrument (measured at fair value) are re-measured at every reporting period with market values obtained from Nigerian Stock Exchange.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis

The quoted market price used for quoted equity investment held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximize the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

The fair value of future and forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instrument in Level 3

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities.

Financial instruments not measured at fair value

The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

53 Commitments

Financial and Capital commitments

Capital expenditure commitments for the Group and Company as at 31 December 2020 was N214.6 billion, 2019: N133.7 billion, 2018: N214.2 billion, 2017: N109.8 billion and 2016: N470.5 billion.

Guarantees

The Company provided guarantee of N15 billion to Dangote Fertilizer Limited in respect of the agreement established with NGC and NNPC for the supply of gas.

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Group's state of affairs have been taken into consideration in the preparation of the financial statements under review.

54 Contingencies

No provision has been made in these consolidated financial statements for contingent liabilities in respect of pending litigation attributable to the Group amounting to N9.1 billion (2019: N82.8 billion; 2018: N74.6 billion; 2017: N23.7 billion; 2016: N19.5 billion) as the directors are of the opinion, based on solicitors' advice, that they have good defence against the actions and that there is no likelihood of any loss arising therefrom.

55 Events after the reporting period

The directors are of the opinion that there were no events after the reporting period that could have material effect on the state of affairs of the Company at 31 December 2020 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

56 Changes in presentation, reclassification and restatement of comparatives

During the year, the Group restated the financial statements for prior periods for the following reasons:

Re-assessment of the controlling interest

Before the current reporting period, the Group's interest in Dangote Oil Refining Company Limited (DORCL) and Dangote Fertilizer Limited (DFL) were treated as ordinary equity investments based on a shareholding of 9.5% and 9.8% in each respectively. During the year, control was evaluated for DORC and DFL, as they were nearing completion and two Companies due to commence operations in the coming year. The decision to consolidate the financial statements of Dangote Oil Refining Company Limited (DORCL) and Dangote Fertilizer Limited (DFL) with Dangote Industries Limited (the Company), was reached based on the analysis below.

Specifically, an investor controls an investee if and only if the investor has all of the following elements:

i. Power over the investee;

ii. Exposure, or rights, to variable returns from its involvement with the investee; and

iii. The ability to use its power over the investee to affect the amount of the investor's returns.

From the assessment of control, it was concluded that the Company has power over the investees (DORCL and DFL) as the key decision-makers- President, Vice President, Group Managing Director and Group Executive Director of DIL are the Directors of both DORCL and DFL with full powers and responsibility as clearly stated in the Memorandum of Association and Articles of Association of both Companies. The Board of DIL has ultimate responsibility and powers over the operations, investment, financing and dividend decisions of the two companies. In addition, Greenview International Corp that was previously deemed to be in control of both entities also ceded its controlling right and recognised Dangote Industries Limited control over both DORCL and DFL since the inception of these investees. Based on these, all the conditions of control as required by IFRS 10 are fulfilled despite its shareholding. To effect this in the financial statements, the Group restated the comparative period and the beginning of the comparative period as a correction of prior period error. The impact of the restatement on each line item is shoen in the detailed restatement section.

Consolidation of previously immaterial subsidiaries

Some of the subsidiaries of the Companies that were at project phase were not consolidated in prior periods as they were not considered material at the Group level and had no operations. These entities were previously reported as financial assets in the group financial statements.

In the current year, these investments were reconsidered for consolidation and these subsidiaries financial results have been consolidated in the Group financial statements. The subsidiaries are: -Dangote Granite Mine Limited (DGML), Dangote Coal Mine Limited (DCML), Dangote Peugeot Automobile of Nigeria Limited (DPAN), Dangote Wheat Farms Limited (DWF), Dangote Soya beans Farms Limited (DSF), Dangote Diaries Limited (DDL) and Dangote Tomato Farms Limited (DTF). Details of shareholding are presented in the investment in subsidiaries notes.

Re-classification of line items for better presentation and understanding

In line with IAS 1, some financial items have been reclassified and represented in the financial statements of the Company for better understanding and fairer presentation. The impact of reclassification on each line item on comparatives is presented in the notes.

The following tables summarise the adjustments arising from change in the presentation and correction of prior period errors on the statement of financial position and statement of profit or loss and other comprehensive income. The changes have been made by restating each of the affected financial statements line items for prior periods. The changes in presentation were made in order to enhance fairer presentation while restatements address errors in prior years

Statement of financial position	Note	As reported in 2019 financial year	Reclassification/ Restatement	2019 restated
		N. mil	N. mil	N. mil
Assets				
Non-current assets	a			
Property, plant and equipment	b	1,412,965	2,219,453	3,632,418
Right-of-use assets	c	17,915	(2,838)	15,077
Intangible assets	d	5,981	125,398	131,379
Investments in subsidiaries		-	-	-
Investments in associate		4,961	-	4,961
Other financial assets	e	2,983	(2,983)	-
Debt instrument at amortised cost	f	-	41,275	41,275
Investments at fair value	g	-	7,072	7,072
Finance lease receivables	h	2,128	9,157	11,285
Deferred tax	i	56,965	3,103	60,068
Prepayments	j	51,233	266,569	317,802
Other investments	k	451,868	(451,868)	-
Total impact on non-current assets		2,006,999	2,214,338	4,221,337

0

Statement of financial position- Continued	Note	As reported in 2019 financial year	Reclassification/ Restatement	2019 restated
		N. mil	N. mil	N. mil
Current assets				
Biological assets		2,069	-	2,069
Inventories	l	262,800	2,972	265,772
Loans to group companies	m	1,752,709	(1,752,709)	-
Trade and other receivables	n	258,497	381,076	639,573
Investments at fair value	g	-	16,212	16,212
Other financial assets	e	69,220	(69,220)	-
Derivatives	o	-	1,091	1,091
Finance lease receivables		4,266	-	4,266
Prepayments	j	27,840	3,018	30,858
Cash and cash equivalents	p	839,942	12,799	852,741
Total impact on current assets		3,217,343	(1,404,761)	1,812,582
Investment in subsidiary held for sale		869	-	869
Impact on total assets		5,225,211	(1,404,761)	6,034,788
Equity and liabilities				
Capital and reserves				
Share capital		1,000	-	1,000
Retained earnings	q	2,110,309	(101,787)	2,008,522
Non--controlling interest	r	172,480	434,798	607,278
Foreign exchange translation reserve	s	(65,041)	154,954	89,913
Employee benefit reserve	t	-	-	-
Fair value reserve	t	(3,437)	3,320	(117)
Capital reserve	t	21,413	(21,413)	-
Impact on total equity		2,236,724	469,872	2,706,596
Non- current liabilities				
Loans from group companies	u	-	19,588	19,588
Borrowings	v	1,649,305	(62,863)	1,586,442
Lease liabilities	w	3,722	5,435	9,157
Retirement benefit obligation		1,205	-	1,205
Deferred income	x	369	30,020	30,389
Deferred tax		109,187	1,115	110,302
Provisions		3,684	-	3,684
		1,767,472	(6,705)	1,760,767
Current liabilities				
Trade and other payables	y	664,923	193,993	858,916
Loans from group companies	u	-	465,438	465,438
Borrowings	v	485,067	(314,221)	170,846
Lease liabilities		2,021	-	2,021
Retirement benefit obligation		980	-	980
Deferred income		149	-	149
Current tax payable	z	67,875	5	67,880
Bank overdraft		-	1,195	1,195
Total impact on current liabilities		1,221,015	346,410	1,567,425
Impact on total liabilities		2,988,487	339,705	3,328,192
Impact on total equity and liabilities		5,225,211	809,577	6,034,788

Statement of financial position- Continued	Note	As reported in 2018 financial year	Reclassification/ Restatement	2018 restated
		N. mil	N. mil	N. mil
Assets				
Non-current assets				
Property, plant and equipment	a	1,348,913	1,329,041	2,677,954
Intangible assets	c	7,845	126,063	133,908
Investments in subsidiaries	d	-	-	-
Investments in associate		4,312	-	4,312
Other financial assets	e	2,983	(2,983)	-
Debt instruments (at amortised cost)	f	-	15,938	15,938
Investments at fair value	g	-	7,148	7,148
Finance lease receivables		6,475	-	6,475
Deferred tax	i	48,855	1,115	49,970
Prepayments	j	52,310	287,647	339,957
Other investments	k	420,285	(420,285)	-
Total impact on non-current assets		1,891,978	1,343,684	3,235,662
Current assets				
Biological assets		1,841	-	1,841
Inventories	l	226,640	499	227,139
Loans to group companies	m	1,093,250	(1,093,250)	-
Trade and other receivables	n	240,408	454,857	695,265
Investments at fair value	g	-	14,547	14,547
Other financial assets	e	59,972	(59,972)	-
Derivatives		-	22,455	22,455
Finance lease receivables		2,380	-	2,380
Prepayments	j	30,939	484	31,423
Cash and cash equivalents	p	852,254	98,180	950,434
Total impact on current assets		2,507,684	(562,200)	1,945,484
Non-current assets held for sale		869	-	869
Impact on total assets		4,400,531	781,484	5,182,015
Equity and liabilities				
Capital and reserves				
Share capital		1,000	-	1,000
Retained earnings	q	2,055,520	93,897	2,149,417
Non-controlling interest	r	182,000	523,688	705,688
Foreign exchange translation reserve	s	67,584	40,712	108,296
Fair value reserve	t	(3,361)	3,320	(41)
Employee benefit reserve	t	583	(583)	-
Capital reserve	t	21,413	-	21,413
Impact on total equity		2,324,739	661,034	2,985,773
Non- current liabilities				
Loans from related parties	u	-	17,765	17,765
Borrowings	v	1,296,027	35,650	1,331,677
Retirement benefit obligation		1,284	-	1,284
Deferred income		516	7,908	8,424
Deferred tax	x	98,966	1,115	100,081
Provisions		2,753	-	2,753
		1,399,546	62,438	1,461,984
Current liabilities				
Trade and other payables	y	361,367	39,346	400,713
Loans from group companies	u	-	262,338	262,338
Borrowings	v	282,333	(251,035)	31,298
Retirement benefit obligation		970	-	970
Deferred income		314	-	314
Current tax payable		31,257	-	31,257
Provisions		5	(5)	-
Bank overdraft		-	7,368	7,368
Total impact on current liabilities		676,246	58,012	734,258
Impact on total liabilities		2,075,792	120,450	2,196,242
Impact on total equity and liabilities		4,400,531	781,484	5,182,015

56 Changes in presentation, reclassification and restatement of comparatives (continued)

NOTES

a) Property, plant and equipment (PPE) – The increase in PPE is a result of consolidating the PPE of the newly added subsidiaries in the Group.

b) Right of use (ROU) assets – The increase in the ROU assets arose from the intangible assets of Dangote Oil Refining Plc and Dangote Peugeot Automobile Nigeria Limited.

c) Intangible asset – The increase in intangible assets was due to the inclusion of the other subsidiaries previously not consolidated as part of the Group especially DORC.

d) Investment in subsidiary– The change in investment in subsidiary was due to the reclassification of investments in DORCL, DFL, DGML, DCML, DPAN, DWF, DSF, DDF and DTF from other financial assets to investment in subsidiaries.

e) Other financial assets – Investments in DGML, DCML, DPAN, DWF, DSF, DDF and DTF (subsidiaries) were reclassified to investments in subsidiaries, Also, other financial assets (such as debt instruments held at amortised costs and investments held at fair value) have now been reclassified from other financial assets and presented separately on the face of the statement of financial position for better presentation.

f) Debt instrument at amortized cost – Debts measured at amortized cost presented previously presented as part of other financial assets has now been separately presented in the statement of financial position. The make–up of the balance is cash call and investment in FGN bonds.

g) Investments at fair value – Investments held at fair value which was initially presented as part of other financial assets have now been more appropriately presented as investments at fair value and shown separately in the statement of financial position.

h) Finance lease receivable – In 2019, the Group erroneously netted off the finance lease liability against finance lease receivable. This was discovered in the current period and corrected by appropriately reclassifying the amount to lease liabilities.

i) Deferred tax assets – The increase in deferred tax assets is a result of the consolidation of the financial statements of Dangote Coal Mines Limited to the Group

j) Prepayment– The increase in prepayment is a result of the consolidation of the newly added subsidiaries in the Group.

k) Other investments – Other investment value reduced due to the consolidation of DORCL and DFL, the investment value as part of the capital contribution in the entities reported at the Group level is now eliminated.

l) Inventories – The increase is a result of additions from Dangote Oil Refinery Limited, Dangote Fertilizer Limited, Dangote Coal Mines Limited and Dangote Granite Mines Limited which were not initially consolidated in the comparative year.

m) Loans to group companies – The decrease in the loans to group companies is a result of intercompany elimination of balances due from DORCL and DFL which are now consolidated.

n) Trade and other receivables – The increase is a result of the additional assets from new subsidiaries consolidated during the year. Also, some credit balances previously classified as part of receivables from related parties were reclassified to payable to related parties.

o) Derivatives – For better presentation of line items, derivatives previously presented as part of other financial assets has now been shown separately in the statement of financial position.

p) Cash and cash equivalents – The increase in cash and cash equivalent was due to the inclusion of the newly consolidated entities.

q) Retained earnings – The adjustment represents the parent company share of the opening retained earnings of the newly consolidated entities and the parent share of profit or loss of these new entities for the year.

r) Non–controlling interests (NCI) – The change in Non–Controlling interest (NCI) is due to the allocation of the opening balance of the net assets of subsidiaries not previously consolidated as part of the Group and the NCI share of profit or loss of these new entities for the year.

s) Foreign Exchange Translation Reserve– The adjustment is a result of the re–assessment of the functional currency of DORC and its subsidiaries in the current period.

t) Other reserves – (Employee Benefits Reserve, Fair value Reserve, Capital Reserve) – There was a derecognition of employee benefits reserve, some fair value reserve, and capital reserve due to disposal of Dangote Flour Mills Plc. This was omitted in the prior year.

u) Loans from related parties – The amount previously presented as part of Borrowings was represented as loans from related parties and shown separately in the statement of financial position for fairer presentation.

v) Borrowings – related party loans previously reported as part of borrowings have been reclassified to Loans from related parties and presented separately on the statement of financial position. Also, borrowings increased as a result of the consolidation of DFL and DORCL.

w) Lease liabilities – In 2019, the Group erroneously included netted off the finance lease liability against finance lease receivable. This was discovered in the current period and corrected by appropriately reclassifying the amount to lease liabilities.

x) Deferred income – The increase in deferred income is a result of consolidating Dangote Oil Refinery Limited and Dangote Fertilizer Limited.

y) Trade and other payables – The increase is a result of figures obtained from the newly consolidated entities and some credit balances reclassified from related parties receivables to related parties payables.

z) Current tax payable – The increase in current tax payable arose from consolidating Dangote Granite Limited.

56 Changes in presentation, reclassification and restatement of comparatives (continued)

		As reported in 2019 financial year	Reclassification/ Restatement	2019 restated
		N. mil	N. mil	N. mil
Revenue	(a)	1,201,189	11,111	1,212,300
Cost of sales	(b)	(640,134)	1,670	(638,464)
Other income	(c)	6,556	(195)	6,361
Other operating gains (losses)	(c)	-	20,511	20,511
Movement in credit loss allowance	(d)	-	1,388	1,388
Selling and distribution expenses	(e)	(141,625)	4	(141,621)
Administrative expenses	(f)	(130,125)	(76,099)	(206,224)
Finance income	(g)	142,715	(118,752)	23,963
Finance costs		(184,182)	-	(184,182)
Income from equity accounted investments		649	-	649
Profit before taxation		255,043	(160,362)	94,681
Taxation	(h)	(59,086)	707	(58,379)
Profit after taxation		195,957	(159,655)	36,302
Other comprehensive income				
Loss on valuation of investments in equity instruments		(76)	-	(76)
Exchange differences on translating foreign operations	(i)	(132,625)	71,076	(61,549)
Total impact on other comprehensive income		(132,701)	71,076	(61,625)
Total impact on total comprehensive income		63,256	(88,579)	(25,323)

		As reported in 2018 financial year	Reclassification/ Restatement	2018 restated
		N. mil	N. mil	N. mil
Revenue	(a)	1,226,366	125	1,226,491
Cost of sales	(b)	(647,555)	3,921	(643,634)
Other income	(c)	15,997	(148)	15,849
Other operating gains (losses)	(c)	-	(56,983)	(56,983)
Movement in credit loss allowance	(d)	-	24	24
Selling and distribution expenses	(e)	(124,456)	76	(124,380)
Administrative expenses	(f)	(117,496)	(36,975)	(154,471)
Finance income	(g)	111,649	(50,943)	60,706
Finance costs		(125,737)	-	(125,737)
Income from equity accounted investments		563	-	563
Profit before tax		339,331	(140,903)	198,428
Taxation	(h)	70,304	(1)	70,303
Profit after tax		409,635	(140,904)	268,731
Other comprehensive income:				
Loss on valuation of investments in equity instruments		(1,202)	-	(1,202)
Exchange differences on translating foreign operations		(7,705)	125,203	117,498
Total impact on other comprehensive income		(8,907)	125,203	116,296
Total impact on total comprehensive income		400,728		385,027

56 Changes in presentation, reclassification and restatement of comparatives (continued)

NOTES

The Statement of profit or loss and other comprehensive income had the following reclassifications:

a) Revenue– The Group's revenue includes income from all newly consolidated subsidiaries except for Dangote Oil Refinery Limited and Dangote Fertilizer, both of which are yet to commence operation.

b) Cost of sales – The Group's cost of sales includes cost of sales from newly consolidated subsidiaries except for Dangote Oil Refinery Plc and Dangote Fertilizer. The Company cost of sales amount increased as a result of the reclassification of directors emoluments from Administrative expenses.

c) Other operating gains/(losses) – The Group presented exchange difference as part of finance income in prior periods. This has now been shown reclassified to other gains/(losses). Also, additional foreign exchange difference arose from the consolidation of both Dangote Oil Refinery Limited and Dangote Fertilizer. Furthermore, fair value adjustment on the biological assets, gains/(losses) on disposal of investment and property, plant and equipment have now been reclassified from Other Income to Other gains/(losses).

d) Movement in credit loss allowance – which was previously presented as part of Administrative expenses has now been shown separately in the statement of profit or loss and other comprehensive income.

e) Selling and distribution expenses – The increase is a result of the additional cost from newly consolidated subsidiaries

f) Administrative expenses – The increase is a result of the additional cost from newly consolidated subsidiaries. The reduction in Company cost of sales is due to the reclassification of directors emoluments to cost of sales.

g) Finance income – The reduction in the Group's investment income is a result of reclassification of profit on exchange difference previously presented as part of investment income to other gains/(losses).

h) Taxation– This is a result of the consolidation of Dangote Coal Mines and Dangote Granite Mines Limited tax credits.

i) Exchange difference on translation foreign operations – The increase is a result of the functional currency re-assessment of DORC and its subsidiaries.

	As reported in 2018 financial year N. mil	Reclassification/ Restatement N. mil	2019 Comparative presentation restated N. mil
Cash flow from operating activities	188,848	738,282	927,130
Cash flow from investing activities	(460,549)	(966,642)	(1,427,191)
Cash flow from financing activities	309,654	85,580	395,234
Net increase in cash flow	37,953	(142,780)	(104,827)
Cash and cash equivalent at 1 January 2017	806,933	-	806,933
Cash and cash equivalent at 1 January 2017 – DORC and DFL	-	240,960	240,960
	844,886	98,180	943,066

21 TAX CONSIDERATIONS

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Bonds issued under the Programme. In particular, it does not constitute a representation by the Issuer, Sponsor nor their advisers on the tax consequences attaching to a subscription or purchase of Bonds issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Bonds issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Bonds may vary. Any actual or prospective purchaser of the Bonds who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds bearing in mind his/her peculiarities. Neither the Issuer, Sponsor nor their advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of this section.

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

The Federal Government in 2011 issued the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order (the "**CIT Order**") which exempted, among other things, bonds issued by corporate bodies and interest payments thereon from companies income tax for a period of 10 years from the commencement date of the CIT Order, being 2 January 2012. Given that the CIT Order expired on 02 January 2022 and has not been renewed or re-enacted, payments made to Bondholders that are corporate entities will be subject to tax at the rate of 10%. In this regard, the Issuer will be required to withhold interest payment to corporate Bondholders (save as otherwise exempted by law) pursuant to the CITA and no additional amounts shall be paid to corporate Bondholders as a result thereof.

However, in accordance with the provisions of the Personal Income Tax Amendment Act 2011, income and interest earned by an individual from corporate bonds are exempted from PIT, and the exemption granted under this Act is indefinite.

All investment in the Bonds is exempted from VAT pursuant to the Finance Act 2020 which specifically exempts "securities" from the definition of goods and services upon which VAT may be charged under the Value Added Tax Act, Chapter V1, LFN 2004 (as amended by the Value Added Tax (Amendment) Act No.12 2007, the Finance Act 2019, Finance Act 2020, and Finance Act 2021). On this basis, the proceeds from the disposals of the Bonds will be exempt from VAT. However, commissions payable to the SEC, The NGX and the CSCS and fees payable to professional parties will be liable to VAT. As a result, the Issuer will be required to pay VAT on commissions/fees payable to the SEC, the NGX and CSD, and professional parties in respect of the Bonds.

There is no capital gains tax payable upon the disposal of any Nigerian government securities, under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004, as amended (the "CGT Act"), but capital gains tax is chargeable on the disposal of corporate bonds or other debt instruments which are not Nigerian Government securities (i.e. Federal, State and Local Government bonds). The CGT Act provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. In the case of an individual who is in Nigeria for a temporary purpose only and does not have any view or intent to establish his residence in Nigeria, such gain will be subject to tax if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

Furthermore, section 22(4) of the Stamp Duties Act (Chapter S8) LFN 2004 (as amended by the Finance Acts of 2019, 2020 and 2021) requires stamp duty to be paid at the rates specified in the Stamp Duties Act on instruments executed in Nigeria "or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria", failure of which such instrument will not be admissible in evidence in any civil proceedings in a Nigerian court or tribunal.

.

22 STATUTORY AND GENERAL INFORMATION

22.1 HISTORY AND KEY MILESTONES

Dangote Industries Limited was incorporated as a private limited liability company on 18 April 1985 and commenced business in July, 1999.

DIL has grown to become the largest and most diversified industrial conglomerate in West Africa and one of the largest in Africa, with annual group turnover in excess of ₦1.2trn ($3bn) and a workforce of over 24,000 people.

DIL was originally established as a trading enterprise, importing sugar, cement, rice, fish, and other consumer goods for distribution in Nigeria. DIL deliberately expanded into manufacturing in the 1990's and has systematically built out its businesses to become a diversified and fully integrated conglomerate with interests that span across a range of sectors in Nigeria and Africa; and a diversified essential needs product portfolio which includes offerings in cement, sugar, salt, condiments, packaging, energy, port operations, fertiliser, and petrochemicals.

22.2 SHAREHOLDING STRUCTURE

The current authorised share capital of the Company is ₦2,000,000,000 (Two Billion Naira) divided into 2,000,000,000 (Two Billion) ordinary shares of ₦1.00k each. As at 30 September 2021, the issued share capital of the Company was 1,000,000,000 (One Billion) ordinary shares, which has been fully paid up.

The table below sets out the outstanding issued and paid-up capital legally and/or beneficially held by the shareholders of the Sponsor as at 31 December 2021:

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	SHAREHOLDING (%)
Greenview International Corporation	999,900,000	99.99%
Dangote Nigeria Limited	100,000	0.01%

The current authorised share capital of the Issuer is ₦2,000,000 (Two Million Naira) divided into 2,000,000 (Two Million) ordinary shares of ₦1.00k each. As at the date of this Prospectus, the issued share capital of the Issuer is 2,000,000 (Two Million) ordinary shares, which has been fully paid up.

The table below sets out the outstanding issued and paid-up capital legally and/or beneficially held by the shareholders of the Issuer as at the date of this Prospectus:

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	SHAREHOLDING (%)
Dangote Industries Limited	1,999,999	99.99%
Alhaji Aliko Dangote	1	0.01%

22.3 SHARE CAPITAL HISTORY

1.	Share Capital History of the Sponsor (DIL)	Increase in Share Capital 500,000 to 10,000,000 (10/2/1994) 10,000,000 to 1,000,000,000 (28/4/1999) 1,000,000,000 to 2,000,000,000 (30/12/2005)

22.4 DIRECTORS' INTERESTS

The interests of the Directors of the Sponsor in the issued share capital as notified by them for the purpose of section 301(1) of CAMA as at 30 September 2021 are as follows:

Director	*Direct Shareholding*	*Indirect Shareholding*	*%*
Alhaji Aliko Dangote	-	999,900,000	99.99%

22.5 STATEMENT OF INDEBTEDNESS

Details of all indebtedness of the Issuer and the Sponsor at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement relating to the Series or Tranche of Bonds to be issued.

22.6 CLAIMS AND LITIGATION

The opinion of the Solicitors to the Transaction, in connection with the issuance of the Bonds by the Issuer and the Sponsor (the "**Transaction**") are set out below:

OLANIWUN AJAYI

25 April 2022

The Chief Executive
Standard Chartered Capital & Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos.

Dear Sir,

DANGOTE INDUSTRIES LIMITED - PROPOSED ESTABLISHMENT OF A ₦300,000,000,000.00 (THREE HUNDRED BILLION NAIRA) BOND ISSUANCE PROGRAMME AND ISSUANCE OF UP TO ₦300,000,000,000 SERIES 1 BONDS BY DANGOTE INDUSTRIES FUNDING PLC

1. This report has been issued in respect of the captioned bond issuance in our capacity as Solicitor to the Issue.
2. In our capacity as Solicitor to the Issue, we requested for information relating to pending claims, contingent liability, and litigation (**Claims & Litigation**) against the Dangote Industries Funding Plc (the **Issuer**). Further to our request, we were provided with a letter dated 30 March 2022 written by the Issuer (the **Letter**). The Letter indicates that:
   2.1. there are no on-going, threatened or pending arbitration, litigation, administrative or regulatory proceedings, investigations or hearings or any other governmental action (**Proceedings**) against the Issuer and as such, there are no Proceedings which have or have had a material adverse effect on the Issuer, its financial position or on the Issue; and
   2.2. there are no outstanding settlements, arbitral awards, judgments, rulings, injunctions, or other decrees or orders made in favour of or against the Issuer.
3. Based on the Letter, the Solicitor to the Issue is of the opinion that there are no litigation or other dispute resolution claims that may adversely affect the Issuer, the Issue or the Issuer's ability to perform its obligations in relation to the Issue.

Qualifications and Assumptions

A. For the purpose of giving this opinion, we have examined only the Letter as provided to us by the Issuer, in relation to the Issuer's Claims & Litigation.
B. This opinion is based on the assumption that the information detailed in the Letter is genuine, complete and accurate.
C. We do not affirm the completeness and/or accuracy of the information and the contents of the Letter.
D. The Solicitor to the Issue abjures any liability arising from: (i) the incompleteness or inaccuracy of the information detailed in the Letter, or any other document emanating from the Issuer, and

which we have relied upon in this opinion; and (ii) the Issuer's omission to provide any information or documentation relating to the Issuer's Claims & Litigations.

Yours faithfully,

YEWANDE SENBORE
PARTNER
OLANIWUN AJAYI LP

OLANIWUN AJAYI

25 April 2022

The Chief Executive
Standard Chartered Capital & Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos.

Dear Sir,

DANGOTE INDUSTRIES LIMITED - THE ESTABLISHMENT OF A ₦300,000,000,000.00 (THREE HUNDRED BILLION NAIRA) BOND ISSUANCE PROGRAMME AND ISSUANCE OF UP TO ₦300,000,000,000 SERIES 1 BONDS BY DANGOTE INDUSTRIES FUNDING PLC (THE TRANSACTION): SUMMARY OF CLAIMS AND LITIGATION

This report has been issued in respect of the captioned bond issuance in our capacity as Solicitor to the Transaction.

For the purpose of issuing our opinion on claims and litigation, we requested for information in respect of matters (**a**) with a minimum monetary claim of ₦100,000,000.00 against Dangote Industries Limited (**DIL or the Sponsor**); and (**b**) seeking declaration in relation to the Sponsor, Dangote Fertiliser Limited (**DFL**) and Dangote Oil Refinery Company Limited (**DORC**) (both DFL and DORC referred to as Co-Obligor) (**Material Litigation**). Further to our request, we were provided with case files and information on litigation involving DIL, DFL and DORC, showing 10 (Ten) cases pending against the Sponsor and Co-obligors in the Nigerian courts and supplemental lists, detailing the status of the cases (the **Status Update**).

From our review, the Material Litigation comprises 10 (Ten) cases, in respect of which we note that: (a) there are 4 (four) cases against DIL; (b) there are 2 (two) cases against DFL; (c) there are 4 (four) cases against DORL. These cases are at various stages of hearing in various courts.

Based on our review, we note that the total amount claimed against the Sponsor and the Co-Obligors in relation to the Material Litigation is ₦13,054,687,715.7 (Thirteen Billion, Fifty-Four Million, Six Hundred and Eighty-Seven thousand, Seven Hundred and Fifteen Naira, Seven Kobo) and US$3,235,306.27 (Three Million, two hundred and thirty-Five thousand, three hundred and six dollars, twenty-seven cents) (**Material Contingent Liability Amount**).

As these claims are at various stages, it is difficult to determine the likelihood of success of the claims or the position that the courts may take on same. Nonetheless, in our opinion, any adverse decision in respect of any of the Material Litigation is unlikely to have an adverse effect on the Transaction.

Please find overleaf a summary of the Material Litigation as disclosed to us as of 06 April 2022.

Yours faithfully,

YEWANDE SENBORE
(PARTNER)
OLANIWUN AJAYI LP

22.7 MATERIAL CONTRACTS

The Issuer has not entered into any material contract except in the ordinary course of business. Other material contracts in respect of any issuance of Bonds under the Programme will be disclosed in the applicable Pricing Supplement in respect of that Series or Tranche of Bonds.

22.8 DECLARATION

- No share of the Issuer is under any option or agreed conditionally or unconditionally to be put under option;
- No commission, discounts, brokerages or other special terms have been granted by the Issuer to any person in connection with the issue of the Bonds under the Programme or sale of any shares of the Issuer;
- Save as disclosed herein, the Directors of the Issuer have not been informed of any shareholding representing 5% or more of the issued share capital of the Issuer;
- There are no founders, management or deferred shares or any options outstanding;
- There are no material service agreements between the Issuer and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Issuer and any of its Directors and employees;
- No prosecution has commenced against the Issuer or any of its subsidiaries in respect of any securities law or CAMA;
- No action has been taken against the Issuer by FMDQ and The NGX in respect of any breach of the listing requirements of the Exchange;
- No Director, key management personnel and key technical personnel has been involved in any of the following (in or outside Nigeria):
    - A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
    - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
    - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

22.9 COSTS AND EXPENSES

The costs and expenses of and incidental to the establishment of the Debt Issuance Programme including without limitation fees payable to the SEC, Professional Parties, filing fees and other expenses are estimated NGN 1,391,402,500 (One billion, Three Hundred and Ninety-One Million, Four Hundred and Two Thousand, Five Hundred Naira.

Costs and expenses incurred in connection with the relevant Series will be determined at the time of each issuance. These costs are payable by the Issuer and deductible from the proceeds of the relevant Bonds issuance. This shall be specified in the relevant Vending Agreement to be issued in respect of the relevant Series under the Programme.

22.10 CONSENTS

The under listed parties have given and not withdrawn their written consents to the mention and inclusion of their names and reports (where applicable) in the form and context in which they appear in this Shelf Prospectus:

The Directors of Dangote Industries Limited	Alhaji Aliko Dangote

	Mr. Olakunle Alake Mr. Devakumar V.G. Edwin Mr. Abdu Dantata Hajia Halima Aliko-Dangote Mr. Mansur Ahmed Dr. Adenike Fajemirokun Mr. Viswanathan Shankar Mr. Arnold Ekpe Mr. Emmanuel Ikazoboh
The Directors of Dangote Industries Funding Plc	Alhaji Aliko Dangote Mr. Olakunle Alake
Lead Issuing House	Standard Chartered Capital & Advisory Nigeria Limited
Joint Issuing Houses	Stanbic IBTC Capital Limited Vetiva Capital Management Limited Meristem Capital Limited
Solicitors to the Issuer	Banwo & Ighodalo
Solicitors to the Transaction	Olaniwun Ajayi LP
Joint Trustees	ARM Trustees Limited FBNQuest Trustees Limited Quantum Zenith Trustees & Investments Limited Coronation Trustees Limited *Advised by:* *Sefton Fross*
Auditors	Deloitte & Touche
Reporting Accountant	Ernst & Young
Registrar	Meristem Registrars & Probate Services Limited
Rating Agencies	Global Credit Rating Company Limited

22.11 DOCUMENTS AVAILABLE FOR INSPECTION

This Shelf Prospectus as well as copies of the underlisted documents may be inspected at the registered office of the Issuer and at the respective offices of Issuing Houses as listed on pages 22 and 23 during normal business hours (between 8:00a.m. and 5:00p.m.) on any Business Day from the date of this Shelf Prospectus throughout the Validity Period:

a) Certificate of Incorporation of the Issuer;

b) The Memorandum and Articles of Association of the Issuer;

c) Board Resolution of the Issuer dated March 8, 2022 authorising the Bond Issuance Programme;

d) Board resolution of the Company dated January 24, 2022 authorising the Bond Issuance Programme;

e) The Audited Financial Statements of the Company for each of the 5 years up to the year ended 31st December, 2020;

f) The unaudited management accounts of the Company for the period ended September 30, 2021;

g) The Reporting Accountant's Report on the consolidated financial statements of the Group for the years ended 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 and 31 December 2016;

h) The material contracts referred to in section 22.7 of this Shelf Prospectus;

i) The Schedule of Claims and Litigation involving the Company together with the opinion of the Solicitors to the Transaction prepared in connection therewith;

j) The written consents of the Parties referred to in section 10.3 of this Shelf Prospectus;

k) Letter from the SEC confirming the registration of this Shelf Prospectus;

l) Shelf Prospectus issued with respect to the Bond Issuance Programme;

m) The Programme Trust Deed; and

n) The Rating Reports issued by Global Credit Ratings Company Limited in respect of the Company.

22.12 RELATIONSHIP BETWEEN THE ISSUER AND ITS ADVISERS

Except as disclosed in this Shelf Prospectus, the Issuer is not related to any of its advisers (the Professional Parties) other than in the ordinary course of business.

22.13 RELATED PARTY TRANSACTIONS

Please see pages 189-191 of this Shelf Prospectus.

22.14 DETAILS OF ANY FAMILY RELATIONSHIP OR ASSOCIATIONS BETWEEN THE SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

Haija Halima Aliko-Dangote is Alhaji Aliko Dangote's daughter. There are no other relationships (other than the professional ones and in the ordinary course of business) existing between the substantial shareholders, directors and key management staff of the Issuer and the Sponsor.

22.15 EXTRACT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

Below are the relevant extracts from the Issuer's Memorandum and Articles of Association:

3. The objects for which the Company is established are:

(a) To borrow or raise money from the Nigerian capital markets or other international markets, either by way of a stand-alone issue or by the establishment of programmes of such amounts as may from time to time be determined by the Board of Directors of the Company and to issue bonds, notes, shares, or other debt, equity, derivatives, debt-linked, equity-linked, credit-linked, currency-linked, inflation-linked, index-linked, commodity-linked, bond replicas, asset-backed and/or other hybrid securities, whether convertible, redeemable, senior, secured, unsecured, subordinated, preferred and/or other types of structured notes, securities and instruments, within such maturity periods and upon such other terms and conditions as may be determined from time to time, by the Board of Directors of the Company and approved by relevant regulatory authorities.

(b) To invest in the bonds, notes, shares, stocks, debentures, debenture stock, annuities or other securities (for itself or on behalf of any person(s), corporate or incorporate), issued and or sold by any corporate entities and/or any state government or any other government agency and parastatal, whether within or outside Nigeria, for itself or on behalf of any person(s), (corporate or incorporate), and to make investments of any description in such manner as may be determined by the Board of Directors of the Company.

22.16 PLEDGED ASSETS

As of September 2021, the Company had created fixed and floating charges over all its assets, including:

- a fixed charge over all its present and future rights, benefits, title, claims and interest under the Naira Dividend Collection Account (including all balances standing to the credit thereof) securing the payment, repayment, satisfaction, performance and discharge of all secured obligations under any debt document to which it is a party in favour of Zenith Trustees Limited as the Onshore Security Trustee pursuant to a Naira Dividend Collection Account Charge Agreement dated 12 December 2013, as amended by a First Supplemental Deed dated 20 December, 2017;

- a fixed charge over all its present and future rights, benefits, title, claims and interest under the Debt Service Reserve Account (including all balances standing to the credit thereof) securing the payment, repayment, satisfaction, performance and discharge of all secured obligations under any debt document to which it is a party in favour of Zenith Trustees Limited as the Onshore Security Trustee pursuant to a Debt Service Reserve Account Charge Agreement dated 12 December 2013, as amended by a First Supplemental Deed dated 20 December, 2017;

- a fixed charge over the DIL's USD account held in Nigeria with Guaranty Trust Bank in favour of Zenith Trustees Limited as Security Trustee pursuant to a USD Debt Service Reserve Account Agreement dated 20 December 2017;

- a fixed charge over: (i) 100% of the shares and proceeds from the sale of the shares held by DIL in Dangote Cement Plc (DCP), Dangote Sugar Refinery Plc (DSR) and National Salt Company of Nigeria (NASCON); (ii) shares in which it may acquire in the future including proceeds of sale derived from them; (iii) derivative assets accruing in respect of the shares; and (iv) all of its present and future benefits, interests, claims and proceeds of payment in respect of dividends accruing to DIL from DCP, DSR and NASCON securing the payment, repayment, satisfaction, performance and discharge of all secured obligations under any debt document to which it is a party in favour of Zenith Trustees Limited as the Onshore Security Trustee pursuant to a Deed of Share Charge dated 20 December 2013 and amended by a First Supplemental Deed of Share Charge dated 20 December, 2017;

- a charge securing the payment, repayment, satisfaction, performance and discharge of all secured obligations under any debt document to which it is a party in favour of FBNQuest Trustees Limited and Leadway Capital & Trusts Limited as Security Trustees pursuant to a Security Deed dated 3 May 2005 and supplemented by a First Supplemental Security Deed dated 14 November 2006, a Second Supplemental Security Deed 23 October 2011, a Third Supplemental Security Deed dated 9 January

2014, Fourth Supplemental Security Deed dated 20 December 2017 and amended by a Side Letter dated 31 August 2018; and

- a fixed charge over all its present and future rights, benefits, title, claims and interest in the SACE 2020 Facility Naira Debt Service Reserve Account and the SACE 2020 Facility USD Debt Service Reserve Account (including all balances standing to the credit thereof) securing the payment, repayment, satisfaction, performance and discharge of all secured obligations under any debt document to which it is a party in favour of Quantum Zenith Trustees & Investments Limited as the Onshore Security Trustee pursuant to a SACE Debt Service Reserve Account Charge Agreement dated 22 May 2020.

22.17 DEBTORS AND CREDITORS

As of September 30, 2021, there are no creditors constituting 5% and above of the Company's total debt (equivalent to circa ₦88,632 million).

As of September 30, 2021, the debtors constituting 5% and above of the Company's total credit (i.e. trade and other receivables, equivalent to circa ₦10,978 million) includes: Dangote Rice Limited, Dangote Oil Refinery Company, Dangote Fertilizer Limited, Dansa Food and Dangote Industries Free Trade Zone. All trade and other receivables are for a tenor of less than one year.

22.18 MERGERS AND ACQUISITIONS

Except as disclosed herein, as at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or the current financial year:

- A merger or takeover by third parties in respect of the Company's securities; and
- A merger or takeover by the Company in respect of another Company's securities.

22.19 DEBT ISSUANCES BY THE COMPANY

As at September 30, 2021, the Company had no outstanding debt issuance.

22.20 AUTHORISATION OF THE PROGRAMME

See below a copy of the resolution of the board of the Issuer authorizing the establishment of the Programme:

RC 1901506

Dangote Industries Funding Plc
Union Marble House
1, Alfred Rewane Road
Ikoyi, Lagos, Nigeria
P. O. Box 40032, Falomo, Ikoyi
Tel: +234 1 2695108, 2695109, 2695110
Fax: +234 1 2695009, 2695316
E-mail: dangote@dangote.com
website: www.dangote.com

THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2020
PUBLIC COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS
OF
DANGOTE INDUSTRIES FUNDING PLC

We, the undersigned being all the directors of Dangote Industries Funding Plc (the "**Company**") who on the date of this resolution are entitled to attend and vote at meetings of the board of directors of the Company (the "**Board**") hereby pass the following resolutions and agree that the said resolutions for all purposes shall be valid and effective as if same had been passed by us at a meeting of the Board duly convened and held:

a. *"that the Company be and is hereby authorized to establish a capital raising programme in an amount up to **₦300,000,000,000 (Three Hundred Billion Naira)** for the issuance of sukuks, investment certificates, bonds, green bonds, or other debt, equity, debt-linked, equity-linked, credit-linked, currency-linked or other hybrid securities, whether convertible, redeemable, senior, secured, unsecured, whether by way of a public offering, private placement, book building process or any method and in such tranches, series or proportions at such dates, coupon or interest rates where applicable, within such maturity periods and upon such other terms and conditions as may be specified by the Board and in compliance with applicable rules and regulations, subject to obtaining the approvals of the relevant regulatory authorities (the "**Programme**");*

b. *that the Company be and is hereby authorized to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority;*

c. *that 2 (two) directors of the Company or a director and the company secretary of the Company be and are hereby authorized to sign and/or execute all documents and agreements to be entered into by the Company in connection with the Programme; and*

d. *that the Company be and is hereby authorized to take such further lawful action and do such further things necessary for and incidental to effecting the above resolutions"*

Dated this 8th day of March 2022

DIRECTOR	**DIRECTOR**
ALHAJI ALIKO DANGOTE	**OLAKUNLE ALAKE**

See below a copy of the resolution of the board of the Company authorizing the establishment of the Programme:

DANGOTE

Dangote Industries Limited RC No: 71242
Marble House
1, Alfred Rewane Road,
Ikoyi, Lagos, Nigeria
Tel: +234 1 2695108, 2695109, 2695110
Fax: +234 1 2695009, 2695316
Email: dangote@dangote.com
Website: www.dangote.com

THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, 2020
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS
OF
DANGOTE INDUSTRIES LIMITED

We, the undersigned being all the directors of Dangote Industries Limited (the "**Company**") who on the date of this resolution are entitled to attend and vote at meetings of the board of directors of the Company (the "**Board**") hereby pass the following resolutions and agree that the said resolutions for all purposes shall be valid and effective as if same had been passed by us at a meeting of the Board duly convened and held:

a. *"that the Company be and is hereby authorized to guarantee, support and/or sponsor the establishment of a capital raising programme in an amount of up to **₦300,000,000,000 (Three Hundred Billion Naira)** by Dangote Industries Funding Plc and the issuance of sukuks, investment certificates, bonds, green bonds, or other debt, equity, debt-linked, equity-linked, credit-linked, currency-linked or other hybrid securities, whether convertible, redeemable, senior, secured, unsecured, by way of a public offering, private placement, book building process or any other method(s), in such tranches, series or proportions, at such coupon or interest rates (where applicable), within such maturity periods, at such dates and time and on such terms and conditions, as may be determined by the management of the Company (the "**Management**") and in compliance with applicable rules and regulations; subject to obtaining the approvals of the relevant regulatory authorities (the "**Programme**");*

b. *that the Company be and is hereby authorized to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority;*

c. *that any two directors of the Company or a director and the company secretary of the Company be and are hereby authorized to sign and/or execute all documents and agreements in connection with the Programme;*

d. *that all acts carried out by Management hitherto in connection with the above, be and are hereby ratified; and*

Directors: Aliko Dangote GCON, Sani Dangote, Abdu Dantata, Olakunle Alake (GMD), Devakumar V. G. Edwin *(Indian)*, Halima Aliko-Dangote, Adenike Fajemirokun, Ahmed Mansur, Emmanuel Ikazoboh, Viswanathan Shankar *(Singaporean)*, Arnold Ekpe

e. *that the Company be and is hereby authorized to take such further lawful action and do such further things necessary for and incidental to effecting the above resolutions."*

Dated this 24th day of January 2022

DIRECTOR
NAME: ALIKO DANGOTE

DIRECTOR
NAME: D.V.G. EDWIN

DIRECTOR
NAME: ABDU DANTATA

DIRECTOR
NAME: AHMED MANSUR

DIRECTOR
NAME: ARNOLD EKPE

DIRECTOR
NAME: OLAKUNLE ALAKE

DIRECTOR
NAME: HALIMA ALIKO DANGOTE

DIRECTOR
NAME: ADENIKE FAJEMIROKUN

DIRECTOR
NAME: EMMANUEL IKAZOBOH

DIRECTOR
NAME: VISWANATHAN SHANKAR

e. *that the Company be and is hereby authorized to take such further lawful action and do such further things necessary for and incidental to effecting the above resolutions."*

Dated this 24th day of January 2022

DIRECTOR
NAME: ALIKO DANGOTE

DIRECTOR
NAME: OLAKUNLE ALAKE

DIRECTOR
NAME: D.V.G. EDWIN

DIRECTOR
NAME: HALIMA ALIKO DANGOTE

DIRECTOR
NAME: ABDU DANTATA

DIRECTOR
NAME: ADENIKE FAJEMIROKUN

DIRECTOR
NAME: AHMED MANSUR

DIRECTOR
NAME: EMMANUEL IKAZOBOH

DIRECTOR
NAME: ARNOLD EKPE

DIRECTOR
NAME: VISWANATHAN SHANKAR

e. *that the Company be and is hereby authorized to take such further lawful action and do such further things necessary for and incidental to effecting the above resolutions."*

Dated this 24th day of January 2022

DIRECTOR
NAME: ALIKO DANGOTE

DIRECTOR
NAME: OLAKUNLE ALAKE

DIRECTOR
NAME: D.V.G. EDWIN

DIRECTOR
NAME: HALIMA ALIKO DANGOTE

DIRECTOR
NAME: ABDU DANTATA

DIRECTOR
NAME: ADENIKE FAJEMIROKUN

DIRECTOR
NAME: AHMED MANSUR

DIRECTOR
NAME: EMMANUEL IKAZOBOH

DIRECTOR
NAME: ARNOLD EKPE

DIRECTOR .
NAME: VISWANATHAN SHANKAR

APPOINTMENT OF TRUSTEES AND DECLARATION OF TRUST

2.1 ***Appointment of Trustees***: The Issuer hereby appoints the Trustees to act as the representative of the Bondholders, and to hold the benefits of the payment obligations, covenants, rights and other obligations on the part of the Issuer herein contained for the benefit of itself and the Bondholders (according to their respective interests) in accordance with the terms of this Programme Trust Deed.

2.2 ***The Trustees***: The Trustees hereby accept the appointment with effect from the date of this Programme Trust Deed, declare themselves as Trustees for the Bondholders and agree to hold the benefit of the covenants and other obligations on the part of the Issuer and Co-obligors herein contained on trust for the Bondholders subject to the terms of this Programme Trust Deed.

2.3 ***Duration of Trust*****:** For the avoidance of doubt, the Parties to this Programme Trust Deed agree that the common law rule against perpetuities will apply to the trusts constituted under this Programme Trust Deed and any Series Trust Deed, and that the Issue Trust Deeds shall not enure beyond twenty-one (21) years from the date of their respective creation. The trusts created by this Programme Trust Deed shall remain in full force and effect until the date on which, following the redemption of all Bonds issued pursuant to the Programme, the Trustees unconditionally confirm in writing to the Issuer that there is no longer any outstanding indebtedness owing by the Issuer under the Programme; or the date on which the Trustees receive unconditional confirmation in writing from the Registrar that the Bondholders have been paid all outstanding obligations.

3. AMOUNT AND ISSUE OF THE BONDS

3.1 ***Amount of the Bonds***: The Bonds will be issued in Series in an aggregate nominal amount from time to time not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount, the provisions of the Final Terms shall apply. Any Bonds issued under the Programme shall be constituted by this Programme Trust Deed without further formality. A Series Trust Deed will be issued in respect of each Series.

3.2 ***Prior to each Issue Date***: By not later than 3.00 p.m. on the fifth Business Day (except in the case of clause 3.2 (c) below, which notification shall be undertaken upon receipt of the approval of the SEC of the issue) preceding each proposed Issue Date, the Issuer shall:

(A) deliver or cause to be delivered to the Trustees a draft of the relevant Pricing Supplement or Supplementary Shelf Prospectus and, if applicable, notify the Trustees of any proposed changes to the draft Final Terms delivered to the Trustees;

(B) deliver or cause to be delivered to the Trustees, legal opinions (in form and substance satisfactory to the Trustees) or supporting authorizations or approvals of the issuance of that Series of Bonds, as may be required by the Trustees; and

(C) notify the Trustees in writing without delay of the Issue Date and the nominal amount of the Bonds of the relevant Series.

The Trustees shall not be required in any case to approve such Final Terms.

3.3 ***Issue of Bonds***: The Bonds shall be issued by way of an offer for subscription or private placement either through a fixed price process, book building process and/or any other such methods as shall be set out in more detail in the relevant Supplementary Shelf Prospectus or relevant Pricing Supplement.

3.4 ***Senior and subordinated Bonds***: Any Series of the Bonds may be Senior Bonds or Subordinated Bonds under terms to be provided in the applicable Final Terms.

3.5 ***Utilisation of Proceeds*****:** The net proceeds of the Bonds from the issue of each Series of Bonds shall be made available by the Issuer to the Co-obligors, (after deduction of the costs and expenses incurred in connection with the issuance of such Series of Bonds) in accordance with the provisions of the applicable Final Terms.

4. SEPARATE TRUSTS

4.1 Any Series of Bonds issued under the Programme shall be supplemented by a separate trust deed applicable to each Series of Bonds. The Issuer shall execute and deliver such Series Trust Deed to the Trustees containing such provision (whether or not corresponding to any of the provisions contained in this Programme Trust Deed) as the Trustees may require. Each Series Trust Deed shall set out the form of the Series of Bonds to be so issued thereby and shall be accompanied by legal opinions (in form and substance satisfactory to the Trustees) or supporting authorizations or approvals as may be required by the Trustees.

4.2 The Bonds of each Series shall form a separate Series and cover a separate class of Bonds and accordingly, all the provisions of this Programme Trust Deed shall apply *mutatis mutandis* separately and independently to the Bonds of each Series and in such Clauses and Schedule the expressions "**Bonds**", and "**Bondholders**" shall be construed accordingly.

4.3 Each Series Trust Deed shall apply separately and independently to the Bonds of each respective Series.

4.4 The Trustees shall hold the benefit of the payment obligations of the Issuer and Co-obligors on trust for the Bondholders of the applicable Series of Bonds in accordance with the terms and conditions of each Series Trust Deed.

4.5 The name of each series will commence with the word “Series” and will be followed by a number in consecutive order of issuance of the Series (for example the first Series will be known as the “Series 1 Bonds” and the second Series will be known as the “Series 2 Bonds.”

4.6 If there is any conflict between the provisions of a Series Trust Deed relating to a particular Series and any of the provisions of this Programme Trust Deed, the provisions of the Series Trust Deed shall, notwithstanding any other provision to the contrary, prevail over the provisions of this Programme Trust Deed in respect of the relevant Series.

5. COVENANT TO PAY

5.1 ***Covenant to pay***: The Issuer and each Co-obligor covenants with the Trustees that it shall, in accordance with the provisions of this Programme Trust Deed and the relevant Final Terms of any Series, unconditionally pay or procure to be paid to or to the order of the Trustees in immediately available freely transferable funds in Nigerian Naira (or such other currency specified in the relevant Final Terms), the Principal Amount Outstanding of the Bonds of such Series or any of them becoming due for payment on that due date and shall (subject to the Conditions and except in the case of Zero Coupon Bonds) until all such payments (after as well as before any judgment or other order of any court of competent jurisdiction) are duly made, unconditionally pay or procure to be paid to or to the order of the Trustees as aforesaid on the dates provided for in the Conditions, interest on the Principal Amount Outstanding (or such other amount as may be specified in the relevant Final Terms) of the Bonds or any of them of such Series from time to time as set out in the Conditions (subject to Clause 5.3 (Interest on Floating Rate Bonds following Event of Default)) provided *however that*:

(A) every payment of principal or interest in respect of such Bonds or any of them made to any Bondholder in the manner provided in the applicable Final Terms shall satisfy, to the extent of such payment, the relevant covenant by the Issuer and the Co-obligors contained in this Clause except to the extent that there is default in the subsequent payment thereof to the relevant Bondholders in accordance with the Conditions;

(B) if any payment of principal or interest in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders or, if earlier, the fifth day after notice has been given to the relevant Bondholders in accordance with Condition 19 (*Notices*) of Schedule 1 that the whole of such principal, together with interest which has accrued and is to accrue pursuant to this proviso has been received by the Trustees except; and

(C) in any case where payment of the whole or any part of the Principal Amount due in respect of any Bond is improperly withheld or refused on the Redemption Date (other than in circumstances contemplated by proviso (B) above) interest shall continue to accrue on the whole or such part of such Principal Amount (except in the case of Zero Coupon Bonds, to which the provisions of Condition 6 shall apply), from the date of such withholding or refusal until the date either on which such Principal Amount is paid to the relevant Bondholders or, if earlier, the fifth day after which notice is given to the relevant Bondholders in accordance with Condition 19 (*Notices*) of Schedule 1, that the full amount payable in respect of the said Principal Amount (including the Coupon, if unpaid together with interest which has accrued and is to accrue pursuant to this proviso) is available for collection by the relevant Bondholders, such payment is in fact made.

The Trustees will hold the benefit of this covenant and the covenants in Clause 7 (*Covenant to comply with the Programme Trust Deed*) in trust for the Bondholders in accordance with their respective interests.

5.2 Events of Default:

(A) Each of the events or circumstances set out in this clause 5.2(A) is an Event of Default.

(i) **Payment Default**: The Issuer or the Co-obligors (as the case may be) do not pay any amount in respect of the Bonds of the relevant Series or any of them within ten (10) Business Days of the due date for payment; or

(ii) **Breach of other Obligations**: The Issuer or the Co-obligors do not comply with their other obligations under this Programme Trust Deed or in respect of the Bonds of any Series and, if the non-compliance can be remedied, does not remedy the non-compliance within thirty (30) days after written notice requiring such default to be remedied has been delivered to the Issuer by a Bondholder; or

(iii) **Cross Default**: Any Indebtedness in excess of ₦45,000,000,000.00 (Forty-Five Billion Naira) (or its equivalent in any other currency) of the Issuer or any Co-obligor in respect of money borrowed or raised is not paid within ten (10) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later; or the Indebtedness of any Co-obligor of a value exceeding ₦45,000,000,000.00

(Forty-Five Billion Naira) (or its equivalent in any other currency) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such event shall be certified in writing by the Trustees to be in their opinion materially prejudicial to the interest of the Bondholders of the relevant Series.

(iv) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of any Co-obligor and is not discharged or stayed within sixty (60) days thereof; or

(v) **Insolvency**: An Insolvency Event occurs in respect of the Issuer or any Co-obligor; or

(vi) **Cessation of Business:** Save for the Sponsor, the Issuer or any Co-obligor ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Trustees (such consent not to be unreasonably withheld, conditioned or delayed) pursuant to Clause 12.26 of this Programme Trust Deed; or

(vii) **Change of Control:** If there is a Change of Control of the Issuer or any Co-obligors without notification to the Trustees; or

(viii) **Material Adverse Effect:** a Material Adverse Effect has occurred; or

(ix) **Obligations Unenforceable**: any of the Bonds, the Trust Deeds is or becomes wholly or partly void, voidable or unenforceable;

(x) **Force Majeure:** the occurrence of a Force Majeure Event that affects the ability of the Issuer or any Co-Obligor to perform its respective obligations under this Deed which continues for a period of twelve (12) months; or

(xi) **Termination of the Deed of Undertaking**: the termination, for whatsoever reason, of the Deed of Undertaking.

(B) If any Event of Default occurs and is continuing, the Trustees may at their discretion and shall, upon the request in writing of the registered Holders of at least one-fifth of the nominal amount of the Bonds for the time being outstanding or upon being so directed by an Extraordinary Resolution by notice in writing to the Issuer declare the Bonds to have become immediately repayable: PROVIDED that the Bonds shall not be declared immediately payable unless:

(i) on the occurrence of any event specified in sub-clauses a(i), a(ii), a(iii), a(iv) and a(xi) of this clause 5.2, the Trustees shall have first served on the Issuer and/or Co-obligors, a preliminary notice requiring the Issuer and/or Co-obligor(s) to pay the principal or interest in arrears or to remove, discharge or pay out to the satisfaction of the Trustees such distress, execution or process or to perform and observe the covenant or provisions the contravention of which has been committed or threatened and the Issuer and/or Co-obligors shall have failed or neglected for a period of ten (10) Business Days to comply with such notice; and

(ii) in the case of any event specified in sub-clauses a(v), a (viii), a (ix) and a(x) of this clause 5.2, the Trustees shall have certified in writing to the Issuer that the Event of Default is, in its opinion, materially prejudicial to the interests of the Bondholders of the relevant Series.

(C) At any time after any Event of Default or Potential Event of Default shall have occurred, the Trustees may in their discretion and by notice in writing to the Issuer, Co-obligors and the Registrar, require the Registrar:

(i) to act thereafter as agent of the Trustees under the provisions of this Programme Trust Deed (with consequential amendments as necessary and save that the Trustees' liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Registrar shall be limited to a sum equal to the amounts for the time being held by the Trustees on the trusts of this Programme Trust Deed in relation to the Bonds on the terms of this Programme Trust Deed and available to the Trustees for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by it in respect of Bonds on behalf of the Trustees; and/or

(ii) to deliver up all Bonds and all sums, documents and records held by it in respect of Bonds to the Trustees or as the Trustees shall direct in such notice *provided that* such notice shall be deemed not to apply to any document or record which the Registrar is obliged not to release by any law or regulation.

the provision of this Clause 5.2(c) is without prejudice to the rights of Bondholders, upon an Extraordinary Resolution of the Bondholders passed at a special meeting convened for that purpose to authorise the institution of proceedings and/or the taking of other action against or in relation to the Issuer and the Co-Obligors or any other person to enforce the obligations of the Issuer and the Co-Obligors under this Programme Trust Deed.

5.3 ***Interest on Floating Rate Bonds following Event of Default:*** If Floating Rate Bonds become immediately due and repayable under Condition 12 (Events of Default) the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Bonds had not become due and repayable, the first of which will commence on the expiry of the Coupon Period (as defined in the Conditions) during which the Bonds become so due and repayable in accordance with Condition 12 (Events of Default) (with consequential amendments as necessary).

5.4 ***Currency of payments***: All payments in respect of, under and in connection with this Programme Trust Deed and the Bonds to the relevant Bondholders shall be made in Nigerian Naira (or such other currency specified in the relevant Final Terms) as required by the Conditions.

6. THE BONDS

6.1 ***Form of Bonds:*** The Bonds shall be in registered form, made eligible for admission to listing on a Recognised Stock Exchange and issued in accordance with applicable legal and stock exchange listing authority and/or quotation system requirements and unless otherwise specified in any Final Terms**,** the Bonds shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the Depositary and evidenced by credit into the Bondholder's Securities Account.

6.2 ***Ranking of Bonds:*** The ranking of the Bonds as and when issued shall be as specified in the relevant Series Trust Deed and/or Final Terms. All the terms and conditions contained in the relevant Conditions shall be applicable to each Bond issued under the Issue Trust Deeds, whether issued in dematerialised form or not.

7. COVENANT TO COMPLY WITH THE PROGRAMME TRUST DEED

7.1 ***Covenant to comply with the Programme Trust Deed***: The Co-obligors and the Trustees hereby covenant with each other that they shall comply with all those provisions of this Programme Trust Deed and the Conditions which are expressed to be binding on them and to perform and observe the same. The Bonds are subject to the provisions contained in this Programme Trust Deed, and the Bonds of each Series are subject to the provisions of the Series Trust Deed, all of which shall be binding upon the Issuer, the Trustees and all persons claiming through or under them respectively.

7.2 ***Trustees may enforce Conditions***: The Trustees shall be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions, and the obligations of the Sponsor and the Co-obligors under this Programme Trust Deed, as if the same were set out and contained in this Programme Trust Deed which shall be read and construed as one document with the Bonds.

7.3 ***Payment to Bondholders***:

(A) The Trustees shall make any payment to be made by the Issuer in respect of the Bonds of any Series in the manner provided in the Conditions and the Series Trust Deed. Any payment so made shall be a good discharge to the extent of such payment of the Issuer or the Trustees (as the case may be).

(B) Upon any payment under paragraph (A)(i)(A) above of principal or interest, the Trustees shall (i) in the case of part payment, require the Registrar to make a notation in the Register of the amount and date of payment or (ii) in the case of payment in full, cause the relevant Bond to be cancelled and shall certify or procure the certification of such cancellation.

8. IRREVOCABLE UNDERTAKING TO PAY

8.1 The Issuer and the Co-obligors irrevocably undertake to pay all amounts due under the Bonds, subject to the provisions of this Programme Trust Deed.

8.2 Any Co-Obligor may make payments of all amounts due under the Bonds on its behalf or on the behalf of the other Co-Obligors.

8.3 The Issuer and Co-Obligors obligations, in respect of the Bonds to be issued under the Programme including the obligation to pay all amounts due under the Bonds, are backed by the Deed of Undertaking.

9. REPRESENTATIONS AND WARRANTIES OF THE CO-OBLIGORS

Each Co-obligor represents and warrants to the Trustees on the date of this Programme Trust Deed as follows:

9.1 ***Status***

(A) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

(B) It has the power and authority to own, lease and/or operate its assets and carry on its business as it is being conducted.

9.2 ***Powers and authority***

(A) It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of its obligations under the Issue Documents to which it is a party and the transactions contemplated by such Issue Documents to the extent applicable to it.

(B) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees contemplated by the Issue Documents to which it is a party.

9.3 ***No adverse change***: Save as disclosed in the Shelf Prospectus, since the date of its last audited financial statements delivered to the Trustees, no event which is likely to have a Material Adverse Effect has occurred.

9.4 ***Non-conflict:*** The entry into and performance by it of the transactions contemplated by the relevant Issue Documents to which it is a party do not, and will not, conflict with:

(A) any law or regulation applicable to it and which is material in the context of the transactions contemplated in the Issue Documents;

(B) its constitutional documents;

(C) any document which is binding upon it; or

(D) any licence that is required for the carrying on of its business.

9.5 Valid and binding obligations

(A) The obligations expressed to be assumed by it under the Issue Documents to which it is a party are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms.

9.6 Validity and admissibility in evidence

(A) Other than the payment of applicable stamp duties and the stamping of the Issue Documents, all authorisations and any other acts, conditions or things required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Issue Documents to which it is a party; and

(ii) to make the Issue Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained, effected, done, fulfilled or performed and are in full force and effect.

9.7 ***No filing or stamp taxes*****:** It is not necessary that the Issue Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Issue Documents or the transactions contemplated by the Issue Documents except any filing, recording or enrolling or any tax or fee payable in relation to each of the Issue Documents which is referred to in any legal opinion issued and delivered to the Trustees in relation to the Issue Documents and which will be made or paid by the Co-obligors promptly after the date of the relevant Issue Document and in any event within any period required under Applicable Law.

9.8 Indebtedness and Solvency:

(A) Save as disclosed in the Prospectus, it has no other loans, material contingent liabilities or other similar Indebtedness, other than the Permitted Indebtedness;

(B) Save as disclosed in the Prospectus, it has no other debentures, mortgages, charges, or other Security, other than the Permitted Security;

(C) It is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended the making of payments on any of its debts or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness;

(D) Save as otherwise disclosed in the Prospectus, no moratorium has been declared in respect of any of its Indebtedness;

(E) The value of its assets is not less than its liabilities (both actual and contingent).

9.9 ***Authorisations:*** All consents, licences, authorisations and approvals:

(A) required to be obtained by it to enable the consummation of the transactions constituted by the Issue Documents to which it is a party; and

(B) necessary for the conduct of its business substantially as conducted at the date hereof

have been obtained (and are in full force and effect) or will be obtained prior to the Initial Issue Date, and, in respect of those obtained, their terms and conditions have been complied with in all material respects and they have not been and, so far as such Co-obligors is aware, will not be revoked or otherwise terminated as a result of entry into the Issue Documents to which it is a party, and the consummation of the transactions constituted thereby, and in each case if not obtained or complied with, or if revoked or terminated, would not be reasonably expected to have a Material Adverse Effect.

9.10 ***Litigation***: Other than as disclosed in the Prospectus, no litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of its Board of Directors, pending or threatened in writing, against the Co-obligors or against any of its directors or its assets which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

9.11 ***No deduction or withholding***: It will not be required to make any deduction or withholding from any payment it may make under the Bonds except where such deduction or withholding is mandatorily required by law.

9.12 ***Compliance with Laws***

(A) To the best knowledge of its Board of Directors (having made all due and careful enquiries), no practice, procedure or policy employed by the Co-obligors in the conduct of its business violates any judgment, law, regulation, order or decree applicable to it and which violation, if enforced, would be reasonably likely to have a Material Adverse Effect.

(B) All returns and resolutions and other documents required to be filed with or delivered by the Co-obligors to the Corporate Affairs Commission and the SEC pursuant to the CAMA, the ISA and SEC Rules have been or will be duly filed or delivered, except where failure to do so would be reasonably likely to have a Material Adverse Effect.

9.13 ***General duty of disclosure***

(A) The Prospectus contains and will contain (as applicable) all such information as is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds.

(B) All statements of fact contained in the Prospectus are true and accurate in all respects and there are no material facts known to it that are not disclosed therein and the omission of which could make statements therein false or misleading and there are no other circumstances adversely affecting it or the Issuer which have not been disclosed in the Prospectus and which if disclosed would be calculated to affect materially the decision of a subscriber to the Bonds.

(C) Except as already mentioned in the Prospectus, no circumstances have arisen whereby any person is entitled to require payment or seek redress in respect of any obligation or by reason of any of its default.

(D) Since it commenced operations, its business has been carried out in the ordinary and usual manner.

9.14 Approval of Shelf Prospectus

(A) Applications have been made for the Bonds to be registered by the SEC. The Shelf Prospectus is issued in compliance with the SEC Rules and Regulations.

(B) No Event of Default will result from the execution, or the performance, of any transaction contemplated by any Issue Document.

9.15 No default

(A) No Event of Default is continuing or might reasonably be expected to result from the issue of the Bonds or the entry into of, or the performance of any transaction contemplated by, the Issue Documents.

(B) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its assets are subject which might have a Material Adverse Effect.

9.16 No Immunity: Neither it nor any of its assets has any right of immunity on the ground of sovereignty or otherwise, from jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Issue Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction.

9.17 Pari passu ranking: Its payment obligations (as the case may be) under the Issue Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

9.18 Ranking and financial indebtedness:

(A) No Security exists over all or any of its present or future assets other than the Permitted Security, or as disclosed in the Shelf Prospectus or permitted by this Programme Trust Deed;

(B) It has no Indebtedness outstanding other than the Permitted Indebtedness.

9.19 Good title to assets: It has good, valid and marketable title to, or valid leases or licences of, or is otherwise entitled to use, all assets necessary for the conduct of the business as it is presently being conducted, where failure to do so would be reasonably expected to have a Material Adverse Effect.

9.20 Environmental laws

(A) To the best of its knowledge, it is in compliance with all Environmental Laws and no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or might reasonably be expected to have a Material Adverse Effect.

(B) To the best of its knowledge, no Environmental Claim has commenced or is threatened against it where that claim has or might reasonably be expected, if determined against it, to have a Material Adverse Effect.

***9.21 Anti-corruption law*:** To the best of its knowledge and belief, it has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintains, as at the date of this Programme Trust Deed, policies and procedures designed to promote and achieve compliance with such laws.

9.22 Times for making representations and warranties

(A) The representations and warranties set out in this Clause 9.22 (*Representations and Warranties of the Co-obligors*) are made by each Co-obligor on the date of this Programme Trust Deed and the Initial Issue Date and are deemed to be repeated by each Co-obligor on each Issue Date for each Series of the Bond. The representations and warranties set out in Clauses 9.1, 9.3, 9.8, 9.10, 9.12 and 9.17 are deemed to be repeated by the Co-obligors on each Payment Date.

(B) When a representation and warranty is repeated, it is applied to the facts and circumstances existing at the time of repetition, provided always that in respect of any Issue Date, the representations contained in Clauses 9.4, 9.5, 9.13 and 9.14 shall be limited and refer only to the Tranche or Tranches of Bonds forming a single series of Bonds to be issued on such Issue Date and, to the extent that the representations contained in Clauses 9.3, 9.13 and 9.14 relate to the Prospectus, such representations shall be limited to the Prospectus prepared in respect of such Tranche or Tranches of Bonds.

10 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby undertakes, represents and warrants to the Trustee that, as of the date of this Deed and to the Trustee and the Bondholders of the relevant Series as at the Issue Date of any Series that:

10.1 it is a public limited liability company duly incorporated under the laws of Nigeria and has full power and authority to issue the Bonds;

10.2 it will give full effect to the Bonds when issued as provided under the Issue Documents;

10.3 it has obtained all authorisations, registrations, consents and approvals, to enter into, execute, deliver and perform its obligations under the Issue Documents;

10.4 its execution and delivery of the Issue Documents and its performance of this Deed:

(A) have been duly authorised by all necessary corporate action;

(B) will not contravene any Applicable Law;

(C) will not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its assets; and

(D) will not contravene other agreements and any of the provisions of the Issuer's constitution documents;

10.5 each of the documents required to be executed and delivered in connection with the issue of the Bonds has been or will be duly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it (subject to corporate insolvency and similar exceptions) in accordance with its terms;

10.6 it is in material compliance with all Applicable Laws including those in relation to its obligations under the Programme;

10.7 the Issuer has no right of immunity on the ground of sovereignty or otherwise, from any jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Issue Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction and where any such right is conveyed while the Bonds are outstanding, the Issuer hereby waives such right;

10.8 the obligations of the Issuer under the Issue Documents are direct, unsecured, senior or subordinated (as the case may be) and unconditional obligations of the Issuer and rank pari passu with all other present and future unsecured senior or subordinated (as the case may be) Financial Indebtedness of the Issuer;

10.9 it is able to pay its debts as they fall due and has not suspended making payments on any of its debts or, by reason of actual financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;

11 COVENANTS BY THE ISSUER

The Issuer hereby covenants with the Trustees that, so long as any Bond remains outstanding:

11.1 ***Terms and Conditions:*** it shall comply with and perform all of its obligations under this Programme Trust Deed.

11.2 ***Books of account***: it shall at all times keep such books of account as may be necessary to comply with all Applicable Laws and so as to enable its financial statements to be prepared and allow the Trustee and any person appointed by them free access to the same at all reasonable times during normal business hours and to discuss the same with responsible officers of the Issuer, provided further that the Trustees shall only use information so obtained in connection with the performance of its duties vested in it under this Programme Trust Deed or by operation of law and shall be subject to any limitations on disclosure and duties of confidentiality imposed by law or any Authority;

11.3 ***Event of Default***: it shall give notice in writing to the Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustees to take any further action;

11.4 ***Certificate of Authorised Signatories***: it shall provide to the Trustees within fourteen (14) days of any written request by the Trustee (or such longer period as the Trustees may determine), a certificate signed by two of its Authorised Signatories, certifying that to the best of the knowledge, information and belief of the Issuer up to a specified date not earlier than seven days prior to the date of such certificate (the "**Certified Date**"):

(A) it has complied with its obligations under this Programme Trust Deed (or, if such is not the case, giving details of the circumstances of such non-compliance);

(B) that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Programme Trust Deed) any Event of Default or Potential Event of Default of which such Authorised Signatories are or should have been aware, or (if such is not the case) specifying the same;

and the Trustees may, without enquiry, rely on such certificate without any liability for so doing.

11.5 ***No Indebtedness:*** it shall not incur or allow to remain outstanding any Indebtedness, other than the Permitted Indebtedness.

11.6 ***No deduction or withholding:*** it shall make all payments under this Programme Trust Deed without withholding or deduction of, or in respect of, any Tax unless required by law.

11.7 ***Pari Passu ranking***: it shall procure that its payment obligations under the Programme Trust Deed rank and will rank *pari passu* at the very least, with the claims of all its other senior and unsubordinated creditors from time to time outstanding except for obligations mandatorily preferred by law applying to companies generally;

11.8 ***Financial statements*****:** it shall send to the Trustees, the Rating Agency and the Registrar copies of:

(A) as soon as the same becomes available, but in any event within 180 days after the end of each financial year, its and the Co-Obligor's audited financial statements for that financial year;

(B) as soon as the same becomes available, but in any event within 60 days after the end of each financial quarter, its and the Co-Obligor's unaudited financial statements for that financial quarter; and

(C) (if the same are produced) as soon as practicable after their date of publication copies of every report or other notice, statement or circular, issued to its shareholders and creditors or to holders of securities other than shareholders as soon as practicable after the issue or publication thereof,

and procure that the same are made available for inspection by Bondholders at the Specified Offices of the Registrar as soon as practicable thereafter**.**

11.9 ***Information***:

it shall:

(A) within ten (10) Business Days upon becoming aware of them, make available to the Trustees, details of any litigation, arbitration or administrative proceedings or proceedings before, or action by, any Authority, which are current, threatened or pending and which might, if adversely determined, have a Material Adverse Effect;

(B) within ten (10) Business Days of filing, make available to the Trustees copies of all documents filed with the SEC in respect of the Issue;

(C) within ten (10) Business Days of its receipt, make available to the Trustees copies of all material documents, other material communications and information or any event which relates to or might have a Material Adverse Effect, given or received by it from any person;

(D) send to the Trustees two copies of every balance sheet, profit and loss account, report or other notice, statement or circular sent to the shareholders of the Issuer as soon as practicable after the issue or publication of such documents; and

(E) so far as permitted by Applicable Law, at all times give to the Trustees such information as the Trustees may reasonably request in writing in connection with the performance of its functions under this Programme Trust Deed.

11.10 ***Anti-corruption law:***

(A) it shall conduct its businesses in compliance with applicable anti-corruption laws; and

(B) it shall maintain policies and procedures designed to promote and achieve compliance with such laws.

11.11 ***Further Acts:*** so far as permitted by Applicable Law, it shall do such further things as may be necessary to give effect to this Programme Trust Deed and the applicable Series Trust Deed.

11.12 ***Bonds held by the Issuer***: it shall deliver to the Trustees within 14 days of being so requested in writing by the Trustees a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total aggregate principal amount of Bonds of each Series which at the date of such certificate are held by or for its benefit, or any of its Subsidiaries and the Trustees may rely upon such certificate without any liability for so doing;

11.13 ***Execution of further Documents***: so far as permitted by Applicable Law, it shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustees to give effect to the provisions of this Programme Trust Deed;

11.14 ***Notices to Bondholders***: it shall send or procure to be sent to the Trustees not less than three (3) Business Days prior to the date of publication, for the Trustees' approval, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustees two copies of such notice;

11.15 ***Notification of late payment***: it shall, in the event of the unconditional payment to the Trustees of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made (unless the Trustees deem the giving of such notice to be unnecessary);

11.16 ***Notification of redemption or payment***: it shall, not less than the number of days specified in the relevant Condition prior to the redemption or payment date in respect of any Bond, give to the Trustees notice in writing of the amount of such redemption or payment pursuant to the Conditions and duly proceed to redeem or pay such Bonds accordingly;

11.17 ***Obligations of Registrar:*** it shall use all reasonable endeavours, to procure that the Registrar observes and complies with all its obligations and procure that the Registrar maintains a Register and notify the Trustees immediately it becomes aware of any material breach or failure by the Registrar in relation to the Bonds;

11.18 ***Change in Registrar:*** it shall give at least 14 days prior notice to the Trustees of any change or any future appointment, resignation or removal of the Registrar and not make any such appointment or removal without the written approval of the Trustees;

11.19 ***Change of taxing jurisdiction***: it shall, if before the Relevant Date for any Bond it shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the Federal Republic of Nigeria ("**Nigeria**") and the change in tax jurisdiction will impact any payment made in respect of the Bonds, immediately upon becoming aware thereof it shall notify the Trustees of such event and (unless the Trustees otherwise agree) enter (as soon as practicable thereafter) into a trust deed supplemental hereto, giving to the Trustees an undertaking or covenant in form and manner satisfactory to the Trustees in terms corresponding to the terms of Condition 11 *(Taxation)* with the substitution for the references therein to Nigeria or of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer shall have become subject as aforesaid, such trust deed also to modify Condition 11 (*Taxation*) so that such Condition shall make reference to that other or additional territory;

11.20 ***Listing***: it shall at all times use its reasonable endeavours to maintain the admission to listing, trading and/or quotation of the Bonds of each Series by the relevant competent authority, stock exchange and/or quotation system (if any) on which they are admitted to listing, trading and/or quotation on issue as indicated in the applicable Final Terms or, if it is unable to do so having used its reasonable endeavours or if the maintenance of such admission to listing, trading and/or quotation is agreed by the Trustees to be unduly burdensome or impractical, use all reasonable endeavours to obtain and maintain admission to listing, trading and/or quotation of the Bonds on such other competent authority, stock exchange and/or quotation system as the Issuer may (with the approval of the Trustees) decide and give notice of the identity of such other competent authority, stock exchange and/or quotation system to the Bondholders;

11.21 ***Authorised Signatories***: it shall, upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustees (with a copy to the Registrar) within 14 (fourteen) days of any written request by the Trustees, a list of its Authorised Signatories, together with certified specimen signatures of the same;

11.22 ***Approvals, consents, etc*.:** it shall maintain, obtain and promptly renew from time to time when necessary all such authorisations, approvals, consents and licences and satisfy such (if any) other requirements as may be necessary or desirable under any Applicable Law, to enable it to carry on its business and for it to perform its obligations under the Bonds and this Programme Trust Deed or for the continuing validity and enforceability of the Bonds, this Programme Trust Deed and any Series Trust Deed and it shall comply with all the terms of the same;

11.23 ***Corporate Existence:*** it shall preserve and keep in full force and effect its corporate existence and at all times comply in all material respects with all laws and regulations, non-compliance with which could (in the opinion of the Trustees) be materially prejudicial to the interest of Bondholders; and

11.24 ***Merger***: for as long as any Bonds are outstanding, it shall not (a) enter into any amalgamation, consolidation, demerger, merger, corporate reconstruction or business combination with or into another person; or (b) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets in one or more related transactions, to another person without the consent of the Majority Bondholders, unless in the case of a merger the :

(A) the Issuer or the Sponsor is the surviving person; or

(B) the person formed by or surviving any such consolidation or merger with the Issuer or the Sponsor or the person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer or the Sponsor under the Bonds and the Issue Documents; and

the Issuer delivers to the Trustees, in form and substance reasonably satisfactory to the Trustees, a Certificate of its Authorised Signatories and opinion of counsel, in each case, stating that such consolidation, merger or transfer comply with this covenant and that all conditions precedent in the Issue Documents relating to such transaction have been satisfied and that the Bonds constitute legal, valid and binding obligations of the Issuer, or the person formed by or surviving any such consolidation or merger (as applicable) enforceable in accordance with their terms.

11.25 ***Negative Pledge:***

it shall not, so long as any of the senior and unsecured Bonds remain outstanding, create any security interest upon the whole or any part of its present or future undertaking, business or assets to secure any Financial Indebtedness unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity.

11.27 ***Disposal of Assets:*** it shall not, without the prior approval of the Trustees (obtained following an Extraordinary Resolution of the Bondholders approving same) sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets other than:

(A) trading stock in the ordinary course of business;

(B) assets exchanged for other assets comparable or superior as to type, value and quality; and

(C) assets whose market value is worth less than ₦30,000,000,000.00 (Thirty Billion Naira) (or its equivalent in another currency or currencies) in any financial year.

11.28 Additional restrictions on the Issuer: in relation to the Issuer, it shall:

(A) not enter into or undertake any transaction, arrangement or other obligation other than as contemplated under the Issue Documents;

(B) not make any change to its constitutional documents.

11.29 Restricted Payments*:* it shall not, directly or indirectly:

(A) declare or pay any dividend, in cash or otherwise, or make any other distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital ; or

(B) make any interest, principal or other payment prior to the discharge of all obligations under the Programme, to a shareholder in respect of a facility or loan granted or to be granted to the Issuer,

(any such action, a "**Restricted Payment**"), if

(i) there is a continuing Event of Default as at proposed date for a Restricted Payment;

(ii) in any financial year, any Interest or Principal payment due under the Bonds have not been paid on their respective due dates; and

(iii) such Restricted Payment (save in relation to the paragraph (B) above) when aggregated with all other Restricted Payments previously made in respect of the relevant financial year of the Sponsor exceed 50 *per cent* of the Group's consolidated profit after tax for such financial year, determined by reference to the Group's audited consolidated IFRS financial statements for such financial year.

(C) Clause 11.28 a) to b) above shall not apply to any repayment to shareholders in respect of a bridging loan made to an Obligor, pending the issuance of the Series 1 Bonds.

12 COVENANTS BY THE CO-OBLIGORS

Each Co-obligor hereby covenants with the Trustees that, so long as any Bond remains outstanding, it shall:

12.1 Terms and Conditions: comply with and perform all of its obligations under this Programme Trust Deed.

12.2 Books of account: at all times keep such books of account as may be necessary to comply with all Applicable Laws and so as to enable its financial statements to be prepared and allow the Trustees and any person appointed by them free access to the same at all reasonable times during normal business hours and to discuss the same with authorised officers of the Co-obligors, provided further that the Trustees shall only use information so obtained in connection with the performance of its duties vested in it under this Programme Trust Deed or by operation of law and shall be subject to any limitations on disclosure and duties of confidentiality imposed by the Co-obligors, law or any Authority;

12.3 Event of Default: give notice in writing to the Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustees to take any further action;

_12.4_ ***Certificate of Authorised Signatories***: provide to the Trustees within fourteen (14) days of any written request by the Trustees (or such longer period as the Trustees may determine), a certificate signed by two of its Authorised Signatories, certifying that, to the best of the knowledge, information and belief of the Co-obligors up to a specified date not earlier than seven days prior to the date of such certificate (the "**Certified Date**"):

(A) it has complied with its obligations under this Programme Trust Deed (or, if such is not the case, giving details of the circumstances of such non-compliance);

(B) that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Programme Trust Deed) any Event of Default or Potential Event of Default of which such Authorised Signatories are or should have been aware, or (if such is not the case) specifying the same;

and the Trustees may, without enquiry, rely on such certificate without any liability for so doing.

_12.5_ ***No deduction or withholding:*** make all payments under this Programme Trust Deed without withholding or deduction of, or in respect of, any Tax unless required by law.

_12.6_ ***Pari Passu***: procure that its payment obligations under the Programme Trust Deed rank and will rank *pari passu* at the very least, with the claims of all its other senior and unsubordinated creditors from time to time outstanding except for obligations mandatorily preferred by law applying to companies generally;

_12.7_ ***Accounts in relation to subsidiaries***: Subject to any limitations on disclosure and duties of confidentiality imposed by any Authority and law , deliver to the Trustees at the time of issue its audited consolidated balance sheet and at any other time upon the request of the Trustees;

_12.8_ ***Certificate relating to subsidiaries***: give to the Trustees, as soon as reasonably practicable, after disposal of any of its subsidiaries listed on the floor of the Nigerian Exchange Limited as at the date of this Deed which thereby becomes or ceases to be a subsidiary, a certificate signed by two of its Authorised Signatories to such effect;

_12.9_ ***Financial statements*****:** send to the Trustees, the Rating Agency and the Registrar copies of:

(C) as soon as the same becomes available, but in any event within 180 days after the end of each of its financial years, its audited financial statements for that financial year;

(D) as soon as the same becomes available, but in any event within 60 days after the end of its financial quarters, its unaudited financial statements for that financial quarter; and

(E) (if the same are produced) as soon as practicable after their date of publication, copies of every report or other notice, statement or circular, issued to its shareholders and creditors or to holders of securities other than shareholders as soon as practicable after the issue or publication thereof,

and procure that the same are made available for inspection by Bondholders at the Specified Offices of the Registrar as soon as practicable thereafter**.**

_12.10_ ***Information***:

Subject to any limitations on disclosure and duties of confidentiality imposed by any Authority,:

(A) within ten (10) Business Days upon becoming aware of them, make available to the Trustees details of any litigation, arbitration or administrative proceedings or proceedings before, or action by, any Authority, which are current, threatened or pending and which might, if adversely determined, have a Material Adverse Effect;

(B) within ten (10) Business Days of filing, make available to the Trustees copies of all documents filed with the SEC in respect of the Issue;

(C) within ten (10) Business Days of its receipt, make available to the Trustees copies of all material documents, other material communications and information or any event which relates to or might have a Material Adverse Effect, given or received by it from any person;

(D) send to the Trustees two copies of every balance sheet, profit and loss account, report or other notice, statement or circular sent to the shareholders of the Issuer as soon as practicable after the issue or publication of such documents; and

(E) so far as permitted by Applicable Law, at all times give to the Trustees such information as the Trustees may reasonably request in writing in connection with the performance of its functions under this Programme Trust Deed.

12.11 ***Anti-corruption law:*** Each Co-obligor shall

(A) conduct its businesses in compliance with applicable anti-corruption laws; and

(B) maintain policies and procedures designed to promote and achieve compliance with such laws.

12.12 ***Assets:*** Each Co-obligor shall ensure that its assets are maintained, repaired and/or operated in accordance with the standards of a reasonable and prudent operator carrying on similar business.

12.13 ***Further Acts:*** So far as permitted by Applicable Law, do such further things as may be necessary in the reasonable opinion of the Trustees to give effect to this Programme Trust Deed and the applicable Series Trust Deed.

12.14 ***Bonds held by a Co-obligor***: Deliver to the Trustees within fourteen (14) days of being so requested in writing by the Trustees a certificate of that Co-obligor (signed on its behalf by two Authorised Signatories) setting out the total aggregate Principal Amount of Bonds of each Series which at the date of such certificate are held by it or for its benefit, or any of its Subsidiaries and the Trustees may rely upon such certificate without any liability for so doing;

12.15 ***Execution of further Documents***: So far as required by Applicable Law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustees to give effect to the provisions of this Programme Trust Deed;

12.16 ***Notices to Bondholders***: In relation to the Issuer, procure to be sent to the Trustees not less than three (3) Business Days prior to the date of publication, for the Trustees' approval, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustees two copies of such notice;

12.17 ***Notification of late payment***: In relation to the Issuer, in the event of the unconditional payment to the Trustees of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith procure that notice is given to the Bondholders that such payment has been made (unless the Trustees deems the giving of such notice to be unnecessary);

12.18 ***Notification of redemption or payment***: Not less than the number of days specified in the relevant Condition prior to the redemption or payment date in respect of any Bond give to the Trustees notice in writing of the amount of such redemption or payment pursuant to the Conditions and duly proceed to redeem or pay such Bonds accordingly;

12.19 ***Obligations of Registrar:*** In relation to the Issuer, use all reasonable endeavours to procure that the Registrar observes and complies with all its obligations and procure that the Registrar maintains a Register and notify the Trustees immediately it becomes aware of any material breach or failure by the Registrar in relation to the Bonds;

12.20 ***Change in Registrar:*** In relation to the Issuer, ensure that at least fourteen (14) days' prior notice is given to the Trustees of any change or any future appointment, resignation or removal of the Registrar and not make any such appointment or removal without the written approval of the Trustees;

12.21 ***Change of taxing jurisdiction***: In relation to the Issuer, if before the Relevant Date for any Bond it shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the Federal Republic of Nigeria ("**Nigeria**") and the change in tax jurisdiction will impact any payment made in respect of the Bonds, ensure that immediately upon becoming aware thereof, the Issuer shall notify the Trustees of such event and (unless the Trustees otherwise agrees) enter (as soon as practicable thereafter) into a trust deed supplemental hereto, giving to the Trustees an undertaking or covenant in form and manner satisfactory to the Trustees in terms corresponding to the terms of Condition 11 *(Taxation)* with the substitution for the references therein to Nigeria or of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer shall have become subject as aforesaid, such trust deed also to modify Condition 11 (*Taxation*) so that such Condition shall make reference to that other or additional territory;

12.22 ***Listing***: In relation to the Issuer, at all times use its reasonable endeavours to procure that the Issuer maintains the admission to listing, trading and/or quotation of the Bonds of each Series by the relevant competent authority, stock exchange and/or quotation system (if any) on which they are admitted to listing, trading and/or quotation on issue as indicated in the applicable Final Terms or, if it is unable to do so having used its reasonable endeavours or if the maintenance of such admission to listing, trading and/or quotation is agreed by the Trustees to be unduly burdensome or impractical, use all reasonable endeavours to obtain and maintain admission to listing, trading and/or quotation of the Bonds on such other competent authority, stock exchange and/or quotation system as the Issuer may (with the approval of the Trustees) decide and give notice of the identity of such other competent authority, stock exchange and/or quotation system to the Bondholders;

12.23 ***Authorised Signatories***: Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustees (with a copy to the Registrar) a list of its Authorised Signatories, together with certified specimen signatures of the same;

12.24 ***Approvals, consents, etc*.:** Maintain, obtain and promptly renew from time to time when necessary all such authorisations, approvals, consents and licences and satisfy such (if any) other requirements as may be necessary or desirable under any Applicable Law, to enable it to carry on its business and for it to perform its obligations under the Bonds and this Programme Trust Deed or for the continuing validity and enforceability of the Bonds, this Programme Trust Deed and any Series Trust Deed and it shall comply with all the terms of the same;

12.25 ***Corporate Existence:*** Preserve and keep in full force and effect its corporate existence and at all times comply in all material respects with all laws and regulations, non-compliance with which could (in the opinion of the Trustees) be materially prejudicial to the interest of Bondholders;

12.26 ***Negative Pledge:*** So long as any of the senior and unsecured Bonds remain outstanding, not create any security interest upon the whole or any part of its present or future undertaking, business or assets to secure any Financial Indebtedness unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity.

12.27 ***Disposal of Assets (other than shares):*** Not, without the prior approval of the Trustees (obtained following an Extraordinary Resolution of the Bondholders approving same) sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets other than:

(A) trading stock in the ordinary course of business;

(B) assets exchanged for other assets comparable or superior as to type, value and quality; and

(C) assets whose market value is worth less than ₦30,000,000,000.00 (Thirty Billion Naira) (or its equivalent in another currency or currencies) in any financial year.

12.28 ***Alteration of Share Capital:*** unless with the prior written consent of the Trustees (which consent shall not be unreasonably withheld), not reduce its issued share capital or otherwise amend or change its share capital in a manner which, in the Trustees' reasonable opinion would adversely affect its ability or obligation to pay the principal and or interest on Bonds and or any monies payable under the Final Terms except such amendment is required by any Applicable Law;

12.29 ***Additional restrictions on the Sponsor:*** The Sponsor undertakes that it shall not pass a resolution or do such other act that will directly or indirectly put the Issuer into winding up or any Insolvency Event.

13. REPRESENTATIONS AND WARRANTIES OF THE TRUSTEES

Each of the Trustees hereby represents and warrants to the Co-obligors as follows:

13.1 Status:

(A) it is a company within the meaning of the CAMA;

(B) it is duly registered and authorised by the SEC to provide corporate trust services in Nigeria;

(C) it has full power and authority to enter into the Issue Documents to which it is a party and to exercise its rights and perform its obligations thereunder and has obtained all authorisations and consents necessary for it to enter, exercise rights and perform its obligations under the Issue Documents to which it is a party and such authorisations and consent are in full force and effect.

13.2 Compliance with obligations

(A) it has the resources, capacity and expertise to act on behalf of the Bondholders with regard to every issuance of Bonds (as applicable) under the Issue Documents to which it is a party and it shall comply with the provisions of the Relevant Laws and the Issue Documents to which it is a party in the performance of its obligations;

(B) it shall provide any information that the SEC or the Issuer may require in connection with its obligation to act on behalf of the Bondholders;

13.3 Financial record keeping, reporting and Money Laundering

The operations of the Trustees in respect of the Programme are, have been and will be, conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Nigeria, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency applicable to the Trustee (collectively, "**Money Laundering Laws**") and except as otherwise disclosed, there are no pending actions, suits or proceedings by or before any court or governmental agency, authority or body or any arbitrator involving the Trustees with respect to Money Laundering Laws, which could have a material adverse effect on its ability to perform its obligations under this Deed.

13.4 No conflicts

(A) it shall not allow any conflicts to occur between its obligations in connection with and under the Programme and its commercial interests;

(B) it does not have any subsisting fiduciary relationship with any Co-obligor or its Related Party; and

(C) it shall, at all times, adhere to the terms and conditions specified in the Issue Documents to which it is a party.

14. AMENDMENTS

14.1 ***Waiver***: The Trustees may, without any consent or sanction of the Bondholders and without prejudice to their rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed breach or breach of any of the covenants or provisions contained in this Programme Trust Deed or the Bonds or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Programme Trust Deed; any such authorisation, waiver or determination shall be binding on the Bondholders and, if, but only if, the Trustees shall so require, the Issuer shall cause such authorisation, waiver or determination to be notified to the SEC and the Bondholders within ten (10) Business Days thereafter in accordance with the Conditions; *provided that* the Trustees shall not exercise any powers conferred upon it by this Clause 14.1 in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 *per cent*. in aggregate Principal Amount Outstanding of the Bonds.

14.2 ***Modifications***: The Trustees may from time to time and at any time without any consent or sanction of the Bondholders concur with the Co-obligors in making:

(A) any modification to an Issue Document to which it is a party or the Bonds which in the opinion of the relevant Trustees it may be proper to make provided the Trustees is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders; or

(B) any modification to an Issue Documents to which it is a party, if in the opinion of the Trustees such modification is of a formal, minor or technical nature or made to correct a manifest error; or

(C) any modification to an Issue Documents to which it is a party which is required or necessary to bring that Issue Document in compliance with Applicable Law.

Provided that:

(i) the Issuer has notified the Rating Agency and the Rating Agency has confirmed that such modification will not affect the current ratings of the Bonds; and

(ii) prior written approval of the SEC has been given.

Any such modification shall be binding on the Bondholders and, unless the Trustees otherwise agree, the Issuer shall cause such modification to be notified to the Bondholders as soon as practicable thereafter in accordance with the Conditions.

15 ENFORCEMENT

15.1 ***Legal proceedings***: At any time after the occurrence of an Event of Default, the Trustees may, at its absolute discretion and without further notice, institute such proceedings against any Co-obligor(s) as it may think fit to enforce repayment of the Bonds together with accrued interest and to enforce the provisions of this Programme Trust Deed.

15.2 ***Bondholder Direction***: The Trustees shall not be bound to take any such proceedings pursuant to clause 15.1 unless it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least three-quarter (75%) in Principal Amount Outstanding of the Bonds and it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all fees, costs, charges and expenses which may be incurred by it in connection therewith. Only the Trustees may enforce the provisions of the Bonds or this Programme Trust Deed and no Bondholder shall be entitled to proceed directly against the Co-obligors unless the Trustees, having become bound so to proceed, fails to do so within 14 (fourteen) days and such failure is continuing. The Trustees shall not be deemed responsible for the consequences having acted upon any such instruction as set out in this Clause 15.2.

15.3 ***Evidence of default***: If the Trustees (or any Bondholder where entitled under this Programme Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding up or insolvency of the Issuer or Co-obligors under this Programme Trust Deed or under the Bonds, proof therein that as regards any specified Bond the Issuer has defaulted in paying any principal and/or interest due in respect of such Bond shall (unless the contrary be proved) be sufficient evidence that the Issuer has defaulted in the same manner as regards all other Bonds in respect of which a corresponding payment is then due; and for the purposes of this Clause 15.3 a payment shall be a "**corresponding**" payment notwithstanding that it is due in respect of a Bond of a different denomination from that in respect of the above specified Bond.

16. APPLICATION OF MONEYS

16.1 ***Application of moneys*****:** All moneys received by the Trustees in respect of the Bonds or amounts payable under this Programme Trust Deed will, despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or interest in respect of Bonds which have become void under the Conditions) be held by the Trustees on trust to apply them (subject to Clause 17 (*Investment by the Trustees*) in the following order:

(D) in or towards payment or satisfaction of the fees of the Trustees and such reasonable costs, charges, expenses and liabilities incurred by the Trustees (including remuneration of the Trustees);

(E) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of that Series;

(F) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of other Series under the Programme; and

(G) to pay the balance (if any) to the Issuer or such other person entitled to them.

16.2 ***Apportionment of expenses***: The Trustees shall apportion the fees, costs, charges, expenses and liabilities incurred by it in the execution of the trust of this Programme Trust Deed (including remuneration of the Trustees) between the several Series of Bonds in such manner and in such amounts as shall, in its absolute discretion, consider appropriate.

16.3 ***Winding up of the Trust:*** In the event of the winding up of the trust, the trust assets will be distributed in accordance with Clause 16.1 0.

17 INVESTMENT BY THE TRUSTEES

17.1 ***1Power to invest***: Where the Issuer decides to establish a debt service reserve account or any similar account, if the amount of the moneys (in respect of funds standing to the credit of such debt service reserve account) at any time available for the payment of principal, premium (if any) and interest (if any) on the Bonds shall be less than ten *per cent*, (10%) of the amount due and payable on the Bonds, the Trustees may, at their discretion and pending payment to the Bondholders, invest such moneys in any Authorised Investments as it may think fit in accordance with the Trustee Investments Act. Save in respect of fraud, negligence or misconduct, the Trustees shall not be responsible for any loss occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise. If the bank or institution in which the investment is made is a subsidiary, holding company or associated company of any of the Trustees, it need only account for an amount of interest at a rate comparable to that which is reasonable in the market on an investment of that nature on the date of the determination having regard to the amount and likely duration of the deposit by an independent customer.

17.2 ***Variation and accumulation:*** The Trustees may, at its discretion, vary any investments and may accumulate such investments and any resulting income until the accumulations, together with any other sums held by the Trustees for payments in respect of the Bonds under clause 16, amount to at least 10% of the nominal amount of the Bonds then outstanding. Such accumulations and other sums shall then be applied as set out in clause 16.

18 TERMS OF APPOINTMENT OF THE TRUSTEES

By way of supplement to the Relevant Laws, it is expressly declared as follows:

18.1 ***Reliance on Information***

(A) ***Advice***: The Trustees may in relation to each Issue Document to which it is a party act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by or addressed to the Trustees, the Issuer, the Sponsor or any other person) and shall not be responsible for any loss occasioned by so acting or, if applicable, by choosing not to so act. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission and the Trustees shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error (other than a manifest error) or shall not be authentic. The Trustees may rely, without liability to Bondholders, on any certificate or report prepared by any of the above experts, including specifically the Auditors, or any auditor, pursuant to the Conditions or this Programme Trust Deed, whether or not the expert or auditor's liability in respect thereof is limited by a monetary cap or otherwise.

PROVIDED THAT this clause 18.1a) shall only apply to limit the liability of the Trustees to the Bondholders to the extent that the advice relied upon was issued by the relevant lawyer, banker, valuer, surveyor, broker, auctioneer, accountant, auditor or other purpose with the intention that it should be used and relied upon by the Trustees in the manner and for the purpose for which it was so used and relied upon.

(B) ***Certificate of Authorised Signatories***: The Trustees may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories or other person duly authorised on their behalf as to any factor matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustees shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing so to do.

(C) ***Resolution of Bondholders***: The Trustees shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Bondholders.

(D) ***Reliance on certification of clearing system***: The Trustees may call for and shall be at liberty to accept and place full reliance on, as sufficient evidence thereof, and shall not be liable to the Issuer, or any Bondholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of the Depositary to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Bonds of a particular Series credited to his Securities Account.

(E) ***Bondholders as a class*****:** Whenever in this Programme Trust Deed the Trustees are required, in connection with any exercise of its powers, trusts, authorities or discretions, to have regard to the interests of the Bondholders, they shall have regard to the interests of the Bondholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Bondholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

(F) ***Trustees not responsible for investigations***: The Trustees shall not be responsible for investigating any matter which is the subject of any recital, statement, representation, warranty or covenant of any person contained in an Issue Document, the Bonds or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

(G) ***No obligation to monitor***: The Trustees shall be under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations; provided that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust where the Trustees fail to show the degree of care and diligence required of them, having regard to the provisions hereof conferring on them any powers, authorities or discretions.

(H) ***Bonds held by the Issuer***: In the absence of knowledge or express notice to the contrary, the Trustees may assume without enquiry (other than requesting a certificate of the Issuer under Clause 12.14 (*Bonds held by a Co-obligor*), that no Bonds are for the time being held by or for the benefit of the Issuer.

(I) ***Entry on the Register*****:** The Trustees shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct save for manifest error.

(J) ***Events of Default*****:** Where the Issuer has not complied with the provisions of Clause 19.1(e)(E) the Trustees shall not be bound to give notice to any person of the execution of this Programme Trust Deed or to take any steps to ascertain whether any Event of Default or Potential Event of Default has happened and shall not be obliged to take any action to certify material prejudice under Condition 12 *(Events of Default)* unless it is indemnified and/or secured to its satisfaction by the Bondholders against all liabilities, proceedings, claims and demands to which it may thereby become liable and all fees, costs, charges and expenses which may be incurred by it in connection therewith and, until it shall have actual knowledge or express notice to the contrary, the Trustees shall be entitled to assume that no such Event of Default or Potential Event of Default has happened and that the Issuer is observing and performing all the obligations on their part contained in the Bonds and under this Programme Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable.

(K) ***Legal Opinions*****:** The Trustees shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion.

(L) ***Programme Limit*****:** The Trustees shall not be concerned, and need not enquire, as to whether or not any Bonds are issued in breach of the Programme Limit.

(M) ***Trustees not Responsible*****:** The Trustees shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Programme Trust Deed or any other document relating thereto and shall not be liable for any failure to obtain any rating of Bonds (where required), any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Programme Trust Deed or any other document relating thereto. In addition, the Trustees shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder; provided that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust where the Trustees fails to show the degree of care and diligence required of them, having regard to the provisions hereof conferring on them any powers, authorities or discretions.

(N) ***Freedom to Refrain*****:** Notwithstanding anything else herein contained, the Trustees may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render them liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

(O) ***Right to Deduct or Withhold*****:** Notwithstanding anything contained in this Programme Trust Deed, to the extent required by any Applicable Law, if the Trustees are or will be required to make any deduction or withholding from any distribution or payment made by them hereunder or if the Trustees are or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustees, and whether in connection with or arising from any sums received or distributed by them or to which may be entitled under this Programme Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustees in connection with the trusts of this Programme Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustees shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by them an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustees to tax from the funds held by the Trustees upon the trusts of this Programme Trust Deed.

(P) ***Information and Other Reports***: Delivery of reports, information and documents to the Trustees under Clause 12.9 (*Financial statement*) is for informational purposes only and shall not impose any obligation on the Trustees to take any action in respect of them and the Trustee's receipt of the foregoing shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of their covenants hereunder (as to which the Trustees is entitled to rely on certificates signed by two Authorised Signatories of the Issuer).

18.2 Trustees' powers and duties:

(A) ***Trustees' determination***: The Trustees may determine whether or not an Event of Default or Potential Event of Default under the provisions of this Programme Trust Deed or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustees shall certify that any such default is, in its reasonable opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders such certificate shall be conclusive and binding upon the Co-obligors and the Bondholders.

(B) ***Determination of questions***: The Trustees, the Bondholders and the Co-obligors shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Programme Trust Deed (as applicable) and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustees, shall be conclusive and shall bind the Trustees and the Bondholders;

(C) ***Trustees' discretion***: The Trustees shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in them by this Programme Trust Deed or by operation of law have absolute discretion as to the exercise or non-exercise thereof and, provided that the Trustees have acted honestly and reasonably, the Trustees shall not be responsible for any loss, fees, costs, damages, expenses or inconveniences that may result from the exercise or non-exercise thereof but, whenever the Trustees is under the provisions of this Programme Trust Deed bound to act at the request or direction of the Bondholders, the Trustees shall nevertheless not be so bound unless first indemnified by the Bondholders against all actions, proceedings, claims and demands to which it may render itself liable and all fees, costs, charges, damages, expenses and liabilities which it may incur by so doing.

(D) ***Trustees' consent***: Any consent given by the Trustees for the purposes of this Programme Trust Deed may be given on such terms and subject to such reasonable conditions (if any) as the Trustees may require, and shall not be unreasonably withheld or delayed.

(E) ***Conversion of currency***: Where it is necessary or desirable for any purpose in connection with this Programme Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Programme Trust Deed, the Final Terms or required by law) be converted at such rate(s) of exchange, in accordance with such method and as at such date for the determination of such rate(s) of exchange as may be agreed by the Trustees and the Sponsor and/or Issuer, having regard to current rates of exchange, if available, and any rate of exchange, method and date so specified shall be binding on the Issuer and the Bondholders.

(F) ***Application of proceeds***: The Trustees shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds.

(G) ***Error of judgment***: The Trustees shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustees assigned by the Trustees to administer its corporate trust matters except where the error of judgement is as a result of gross negligence.

(H) ***Delegation***: The Trustees may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by this Programme Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustees and the Trustees may also whenever it thinks fit, and with notification to the Issuer, whether by power of attorney or otherwise, delegate to any person or persons (whether being a joint Trustees of this Programme Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in them by this Programme Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations as the Trustees may think fit in the interests of such delegate; and where the Trustees have delegated its trust powers and functions to agent(s), the Trustees shall be liable for the acts and omission of such agent(s) to the same extent it would have been if the acts and omissions were its own.

(I) ***Custodians and nominees:*** The Trustees may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustees may determine, including for the purpose of depositing with a custodian this Programme Trust Deed or any document relating to the trust created hereunder and the Trustees shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of any misconduct, omission or default on the part of any person appointed by them hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustees exercised due care and diligence in the selection of such custodian and nominees. The Trustees is not obliged to appoint a custodian if the Trustees invest in securities payable to bearer.

(J) ***Confidential information***: The Trustees shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustees by the Issuer in connection with this Programme Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustees any such information.

(K) ***Acts of Agents following Event of Default***: Subject to Clauses 18.2(n) and 18.4, the Trustees shall not be responsible for any misconduct or omission on the part of any agent of the Trustees under Clause 5.2(a)(i) or be bound to supervise the proceedings or acts of any such person.

(L) ***Actions of Trustees:*** The permissive rights of the Trustees to take actions permitted by this Programme Trust Deed shall not be construed as an obligation or duty to do so.

(M) ***Trustee as agent of the other Trustees***: The Trustees also agree that any one or more of the Trustees can, with the consent of the other Trustees, act as their agent in connection with any matter arising under any Issue Document. Provided however that decisions with respect to such matters shall not be made solely by the Trustee or Trustees acting as an agent or agents, but shall be in the manner provided in Clause 18.2 (k) above. Nothing in this clause shall preclude the Trustees from exercising or enforcing any rights arising from any contract entered into by one or more of the Trustees as an agent or agents for the other Trustee(s).

(N) ***Trustee as fiduciary of Bondholders***: The Trustees shall comply with their fiduciary duties owed to the Bondholders in accordance with this Programme Trust Deed and the Relevant Laws, including:

(i) to manage the trust property in a responsible and productive manner;

(ii) to act for the benefit of the Bondholders in the management of the trust property and not to let their duties and that owed to the Bondholders conflict;

(iii) to ensure that the trust property is vested according to the terms of the trust herein established;

(iv) to act honestly, prudently and in good faith in the performance of their duties and to exercise all due care, skill, diligence and vigilance in carrying out their functions and duties as trustees and in safeguarding the rights and interests of the Bondholders;

(v) to clearly identify the trust property which are held on trust for the Bondholders;

(vi) not to commingle their funds with those of the trust;

(vii) to segregate their assets from the trust property and any other trust administered by the Trustees;

(viii) not to delegate their duties, except as permitted by this Programme Trust Deed;

(ix) to act impartially and solely in the best interest of all Bondholders; and

(x) to manage the trust property in a prudent and business-like manner;

(xi) not to charge, pledge or deal with the trust property except as authorised by the relevant Trust Deed and the Relevant Laws;

(xii) not to secure any of their present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the trust property; and

(xiii) not to sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of the Trustees' title to the trust property or any interest therein except pursuant to the underlying Issue Documents.

18.3 Financial matters:

(A) ***Professional charges***: The Trustees shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by it or its directors or officers on matters arising in connection with the trusts of this Programme Trust Deed and as outlined in their respective Fee Letter, and also its charges in addition to disbursements for all other work and business done and all time spent by them or its directors or officers on matters arising in connection with this Programme Trust Deed.

(B) ***Expenditure by the Trustees***: Nothing contained in this Programme Trust Deed shall require the Trustees to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

(C) ***Trustees may enter into financial transactions with the Co-obligors***: The Trustees shall not, and no director or officer of the Trustees shall, by reason of the fiduciary position of the Trustees be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with a Co-obligor or any of their subsidiaries (and, in the case of any subscription for, purchase, holding or sale of Bonds, subject to compliance with any applicable selling restrictions), or any person or body corporate directly or indirectly associated with a Co-obligor or any of their subsidiaries, or from accepting the trusteeship of any other debenture stock, debentures or securities of a Co-obligor or any of their subsidiaries or any person or body corporate directly or indirectly associated with an Co-obligor or any of their subsidiaries, and neither the Trustees nor any such director or officer shall be accountable to the Bondholders, any Co-obligor or their subsidiaries, or any person or body corporate directly or indirectly associated with a Co-obligor or any of their subsidiaries, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustees and any such director or officer shall also be at liberty to retain the same for its or his own benefit. Provided that such contract or transaction contemplated in this clause 18.3(c) shall not conflict with the Trustee's obligations in connection with and under the Programme.

18.4 ***Trustees' Liability***: Subject to the provisions of the Relevant Laws, and particularly Section 213 of the CAMA and notwithstanding anything to the contrary in this Programme Trust Deed, the Series Trust Deeds or the Bonds, the Trustees shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Programme Trust Deed, the Series Trust Deeds or the Bonds save in relation to its own negligence, wilful default or fraud, provided that in no circumstances will the Trustees be liable to the Co-obligors, or any other person for any punitive or consequential damage or loss (including loss of business, goodwill, opportunity or profit of any kind). The Trustees will also be liable for the breach of its duties where it fails to carry out its responsibilities under any Issue Document or to report a breach of the terms of any Issue Document to the SEC.

19. COSTS AND EXPENSES

19.1 Remuneration

(A) ***Standard remuneration***: The Sponsor shall be responsible for the payment to the Trustees of remuneration for their services as Trustees as from the date of this Programme Trust Deed, such remuneration to be at such rate and on such terms as may from time to time be agreed between the Sponsor and the Trustees. Such remuneration shall accrue from day to day and be payable up to and including the date when, all the Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Trustees, provided that if upon due presentation (if required pursuant to the Conditions) of any Bond or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue.

(B) ***Extra remuneration***: In the event that the Trustees consider it expedient or necessary or are requested by the Issuer to undertake duties which the Trustees and the Sponsor agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustees under this Programme Trust Deed, the Sponsor shall pay to the Trustees such additional remuneration as shall be agreed between them.

(C) ***Value added tax***: The Sponsor shall in addition pay to the Trustees an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Programme Trust Deed provided that it is understood that the Sponsor shall deduct applicable withholding tax from all remuneration referred to in this Clause 19.

(D) ***Expenses***: The Sponsor shall pay or discharge all reasonable fees, costs, charges and expenses incurred by the Trustees in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Programme Trust Deed, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustees in connection with any action taken or contemplated by or on behalf of the Trustees for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Programme Trust Deed; Provided that the Trustees shall seek and obtain the prior written consent of the Sponsor to incur any such liabilities in excess of an aggregate sum of ₦500,000.00 in any one calendar year; unless such expense is incurred for the purposes of enforcing the provisions of this Programme Trust Deed against the Issuer and/or Sponsor upon the occurrence of an Event of Default in which case such consent shall not be required.

(E) ***Indemnity***: The Issuer shall indemnify the Trustees (i) in respect of all losses, liabilities, taxes, fees, costs and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Programme Trust Deed and (ii) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Programme Trust Deed, except as a result of the Trustees' negligence and wilful default and provided further that the indemnity contained in this paragraph (E) shall remain in full force and effect notwithstanding any discharge of this Programme Trust Deed.

(F) ***Payment of amounts due***: All amounts payable pursuant to paragraph (D) (*Expenses*) and paragraph (E) (*Indemnity*) of this Clause shall be payable by the Sponsor on the date specified in a demand by the Trustees.

(G) ***Payments***: All payments to be made by the Sponsor to the Trustees under this Programme Trust Deed shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

19.2 ***Stamp duties***: The Sponsor will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (i) the constitution and issue of the Bonds, (ii) the credit of the Bonds to the Bondholder's Securities Account, (iii) any action taken by the Trustees (or any Bondholder where permitted or required under this Programme Trust Deed so to do) to enforce the provisions of the Bonds or the Issue Documents; and (iv) the execution of the Issue Documents.

19.3 ***Exchange rate indemnity***

(A) ***Currency of Account and Payment***: Unless otherwise provided in the applicable Final Terms, the Nigerian Naira (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Sponsor and/or Issuer under or in connection with this Programme Trust Deed and the Bonds, including damages.

(B) ***Extent of Discharge***: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of an Co-obligors) by the Trustees or any Bondholder in respect of any sum expressed to be due to it from the Sponsor and/or Issuer will only discharge the Sponsor and/or Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and

(C) ***Indemnity***: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Programme Trust Deed or the Bonds, the Sponsor shall, be deemed to have indemnified such recipient against the difference between those amounts. In any event, the Sponsor shall be deemed to have indemnified the recipient against the cost of making any such purchase.

19.4 ***Indemnities separate***: The indemnities in this Programme Trust Deed constitute separate and independent obligations from the other obligations in this Programme Trust Deed and will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustees and/or any Bondholder.

20 ESTABLISHMENT AND FUNDING OF TRANSACTION ACCOUNTS

20.1 ***Establishment of Payment Account:*** The Issuer shall, in respect of any relevant Tranche or Series of Bonds, open a Payment Account on the Issue Date in the name and under the control of the Trustees.

20.2 ***Funding of Payment Account:*** The Payment Account shall be funded by the Sponsor in such frequency and in such instalments as may be specified in the applicable Final Terms for the purpose of accumulating monies to pay interest on the bonds and where applicable repay principal on the applicable Payment Date. The money standing to the credit of the Payment Account on any Payment Date shall not be less than the repayment obligations due on the relevant Series on the relevant Payment Date.

20.3 ***Establishment of Other Accounts:*** The Issuer shall open such other account(s) as may be prescribed in any Final Terms towards the repayment of amounts outstanding under Bonds of any Series.

21 APPOINTMENT AND RETIREMENT

21.1 ***Appointment of Trustees***: The power of appointing new trustees under this Programme Trust Deed shall be vested in the Sponsor and/or Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Bondholders for the time being. A trustee under this Programme Trust Deed shall at all times be a trust corporation and duly registered as a trustee by the SEC and may be the sole trustee. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Registrar and the Bondholders. The Bondholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof in office after such removal. No such appointment of a trustee shall be valid without the prior consent of the SEC.

21.2 ***Retirement of Trustees***: Any Trustee for the time being of this Programme Trust Deed may retire at any time upon giving not less than three (3) calendar months' notice in writing to the Sponsor without assigning any reason therefor and without being responsible for any costs occasioned by such retirement save for costs associated with, and/or incidental to, delivering physical copies of any trust document(s) to a new trustee. The retirement of any Trustee shall not become effective unless:

(A) there remains a Trustee hereof in office after such retirement; and

(B) where a successor is required to be appointed, the successor trustee having accepted such appointment, delivers to the Sponsor the duly executed Accession Agreement in or substantially in the form in Schedule 5 to this Programme Trust Deed.

The Issuer hereby covenants that in the event a sole trustee gives notice under this Clause it shall use all reasonable endeavours to procure a new trustee, to be appointed and if the Sponsor does not procure a new trustee within three calendar months of such notice being given, the Trustees may appoint a new trustee. The appointment of any trustee pursuant to this clause 21.2 shall be with the prior notification to, and clearance by, the SEC.

21.3 ***Competence of a majority of Trustees***: Whenever there shall be more than two trustees hereof the majority of such trustees shall be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Programme Trust Deed in the Trustees generally.

21.4 ***Powers additional***: The powers conferred by this Programme Trust Deed upon the Trustees shall be in addition to any powers which may from time to time be vested in them by applicable law or as the holder of the Bonds.

21.5 ***Merger***: Subject to prior notification being given to the Issuer and the Sponsor, any corporation into which the Trustees may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustees shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustees, shall be the successor of the Trustees hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the Parties hereto.

22 BONDS REGISTER

22.1 The Issuer shall at all times keep at the office of the Registrar in Lagos for the time being or at such other place in Nigeria as the Trustees may approve, an accurate Register showing the amount of the Bonds for the time being issued and fully paid and the date of registration and all subsequent transfers or changes of ownership thereof and the name and address and description of the Bondholder and any person deriving title under it, such information to be obtained by the Registrar at least one (1) Business Day prior to each Record Date while the Bonds are outstanding.

22.2 The Trustees and the Bondholders or any of them and any person authorised in writing by any of them shall be at liberty at all reasonable times during office hours to inspect the said Register and to take copies of and extracts from the same or any part thereof. The said Register may be closed at such times and for such periods as the Registrar may from time to time determine provided that it shall not be closed for more than thirty (30) days in any year.

22.3 The Registrar shall maintain and update the Register until such time that all outstanding Bonds have been fully redeemed and the Issuer's liability under the Issue Documents has been discharged. The Registrar shall provide details of the Register to the Trustees during the period in which the Bonds are outstanding.

22.4 Without prejudice to the aforementioned provisions of this Programme Trust Deed, the Registrar shall, in the maintenance of the Register, obtain details (including bank account details and payment instructions) of the Bondholders and shall provide such details to the Trustees during the period which the Bonds are outstanding.

23 NOTICES

23.1 ***Addresses for notices***: All notices and other communications hereunder shall be made in writing and in English (by letter, telex or fax) and shall be sent as follows:

(a) If to ***the Issuer and Co-obligors***, to them at:

Union Marble House
1 Alfred Rewane Road
Falomo, Ikoyi
Lagos, Nigeria.
Tel:+234 (0) 802 314 3057
For the Attention of: Tony Esene
Email: groupcorpfin@dangote.com

(b). If to **ARM TRUSTEES LIMITED**, to it at:

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos
Tel: 08035732578
For the Attention of: Michael Abiodun Thomas
Email: Michael.Abiodun-Thomas@arm.com.ng
armtrustees-ct@arm.com.ng

(c). If to **QUANTUM ZENITH TRUSTEES & INVESTMENTS LIMITED**, to it at:

Plot 2, Ajose Adeogun Street
Victoria Island, Lagos
Tel: +234-1-278 3216
For the Attention of: Onyeche Emefiele
Email: onyeche.emefiele@quantumzenith.com.ng
project-trustees@quantumzenith.com.ng

(d). If to **FBNQUEST TRUSTEES LIMITED**, to it at:

16 Keffi Street,
Off Awolowo Road
South West Ikoyi,
Lagos.
Tel: +234-1-4622673
For the Attention of: Head of Corporate Trusts
Email: corporatetrust@fbnquest.com;
Babatunde.adewolu@fbnquest.com

(e). If to **CORONATION TRUSTEES LIMITED**, to it at:

10, Amodu Ojikutu Street
Victoria Island
Lagos State
Tel: +234 705 529 4460
For the Attention of: Ayomide Akinkuade
Email: Aakinkuade@coronationnt.com

23.2 ***Effectiveness***: Every notice or other communication sent in accordance with Clause 23.1 shall be effective as follows:

(A) ***Personal delivery:*** if delivered by hand or by courier, on signature of a delivery receipt or at the time the notice is left at the address;

(B) ***Email:*** if sent by e-mail, upon acknowledgment of receipt;

provided that any such notice or other communication which would otherwise take effect after 5.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

24 COMPLIANCE WITH THE ISA

24.1 The Trustees in exercise of the powers and discretions vested in it pursuant to these presents shall comply with the provisions of the ISA, and shall file with the SEC all necessary statutory reports in relation to the repayment of principal and interest under the trust herein constituted and in any trust deed supplemental to this Programme Trust Deed.

24.2 The Trustees shall inform the SEC whenever it becomes necessary to enforce the terms of this Programme Trust Deed and any breach of the terms and conditions of the Programme Trust Deed or a Series Trust Deed not later than ten (10) Business Days after the breach.

25 NO CLAIMS DUE TO FORCE MAJEURE

25.1 No failure or omission to carry out or observe any of the terms, provisions or conditions of this Programme Trust Deed shall give rise to any claim between the Parties hereto or be deemed to be a breach of this Programme Trust Deed to the extent that such failure or omission shall be caused by or shall arise out of any event of Force Majeure.

26 LAW AND JURISDICTION

26.1 ***Governing Law***: This Programme Trust Deed, the Bonds and all obligations arising out of or in connection with them shall be governed by and construed in accordance with Nigerian law.

26.2 ***Dispute Resolution***: In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute. The Parties may within ten (10) Business Days from the date the SEC was notified, resolve the dispute by mutual negotiation.

26.3 ***Arbitration:*** Any dispute which cannot be mutually resolved by the Parties in accordance with Clause 26.2 shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Chapter A18, LFN, 2004. The arbitral tribunal shall consist of three arbitrators. The Issuer and the Trustees shall each appoint one arbitrator. The two arbitrators so appointed shall appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, the matter shall be referred to the Director General of the SEC who shall nominate the third arbitrator. The arbitrators shall also have a maximum period of ten (10) Business Days to resolve the dispute after the exchange of pleadings by the Parties. In the event that the Parties or the arbitrators are unable to settle the dispute, the matter shall be referred to the Investments and Securities Tribunal in accordance with the provisions of the ISA. The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

26.4 ***Consent to enforcement etc.***: The Issuer consents generally, in respect of any proceedings, or arbitral proceedings pursuant to Clause 26.3 (*Arbitration*) to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any final order or judgment which may be made or given in such Proceedings.26.5

26.5 ***Waiver of immunity***: To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to it or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

27 ASSIGNMENTS AND TRANSFERS

27.1 ***No Restrictions***: Other than as provided in this Programme Trust Deed or any Series Trust Deed, there are no restrictions on the transferability of the Bonds.

27.2 ***Transfers by the Trustees***: Upon duly obtaining the approval of the SEC and obtaining the consent of the Sponsor and Bondholders, the Trustees may assign or transfer any of its rights, interests or obligations under or in respect of this Programme Trust Deed to any successor as Trustees subject to the provisions of this Programme Trust Deed.

27.3 ***Transfers by the Co-obligors***: The Co-obligors may not assign or transfer any of their rights, interests or obligations under or in respect of this Programme Trust Deed to any person, without obtaining the approval of the SEC and without the express consent of the Trustees (such consent not to be unreasonably withheld, conditioned or delayed) acting on the instructions of the Bondholders.

28 WAIVER OF DEFENCES

The obligations of the Co-obligors under this Programme Trust Deed shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Issuer from its obligations under this Programme Trust Deed, in whole or in part, including, whether or not known to the Co-obligors or the Trustees:

(A) any time, indulgence or waiver granted to or composition with any Co-obligors or any other person;

(B) the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights, remedies or securities against any Co-obligors or any other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments; or

(C) any legal limitation, disability, incapacity or other circumstances relating to the Issuer or any other person.

29 SEVERANCE

In case any provision in or obligation under this Programme Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

30 COUNTERPARTS

30.1 This Trust Deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

30.2 Transmission of the executed signature page of a counterpart of this Programme Trust Deed by email (in PDF or JPEG) shall take effect as delivery of an executed counterpart of this Programme Trust Deed. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each Party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

30.3 No counterpart shall be effective until each Party has executed at least one counterpart.

31 STATUS OF PROGRAMME TRUST DEED

31.1 The terms and conditions of this Programme Trust Deed shall be subject to the provisions of the Relevant Laws.

24 SELLING RESTRICTIONS, LISTING, CLEARING, SETTLEMENT AND TRANSFER OF BONDS

24.1 SELLING RESTRICTIONS

The offering and sale of the Bonds is subject to all applicable laws and regulations of Nigeria. This Shelf Prospectus and the Bonds have been registered with and approved in writing by the SEC pursuant to the ISA and the SEC Rules.

Each Issuing House has agreed that, subject to the provisions of the ISA and the SEC Rules, it shall not communicate or cause to be communicated, any invitation or inducement to engage in the offer or sale of the Bonds to the public, without complying with all the applicable provisions of the ISA and the SEC Rules with respect to the marketing and issue of the Bonds in Nigeria.

None of the Issuer, Sponsor or the Issuing Houses represent that the Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

24.2 OFFICIAL LISTING ON A STOCK EXCHANGE

Bonds may be unlisted or listed on a recognized stock exchange such as the FMDQ, NGX and/or relevant stock exchanges. Each Series or Tranche may be admitted to the Daily Official List and to daily trading by The NGX separately, as and when issued, subject to the approval of the SEC and The NGX/FMDQ as may be applicable. As set out herein, this Shelf Prospectus and any supplement thereto will only be valid for the admission of the Bonds to the Daily Official List (and to trading on The NGX/ FMDQ and/or any relevant stock exchange) in an aggregate nominal amount which when added to the aggregate nominal amount then outstanding of all Bonds previously or simultaneously issued under the Programme, does not exceed ₦300,000,000,000 (Three Hundred Billion Naira) or its equivalent.

24.3 CLEARING SYSTEM AND SETTLEMENT

Each Series or Tranche of Bonds issued under the Programme shall be registered with a separate securities identification code with the CSD. All transactions in such Bonds shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Transactions will normally be effected for settlement not earlier than three (3) working days after the date of trade. Subject as aforesaid, each Series or Tranche of such Bonds will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSD. The CSD authorised participants include banks, securities brokers and dealers and other professional financial intermediaries.

The Issuer has no responsibility for the proper performance by the CSD or its authorised participants of their obligations under their respective rules and operating procedures

24.4 CASH SETTLEMENT

Parties to any transaction will be responsible for effecting the payment transfers either via Real Time Gross Settlement ("**RTGS**"), National Electronic Funds Transfer ("**NEFT**") or any other transfer mode agreed by the parties to the transaction and recognised by the CBN.

24.5 TRANSFER OF BONDS

Transfer of beneficial interest in the Bonds will pass on transfer thereof by electronic book-entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

24.6 CRITERIA FOR DETERMINING THE PRICE OF THE BONDS

The price of an instrument is reflective of the prevailing yield environment, with current instrument interest or rental rates (as applicable) serving as basis for extrapolating the yield and the price of a newly issued instrument.

In relation to Bonds, the Sovereign benchmark, in this instance, the interest rate(s) on the Federal Government bonds, also serve as the reference rate for the determination of the interest rate on newly issued Bonds; with the interest rate of new non-Sovereign bonds being at a discount, at par or at a premium to the Sovereign bonds.

Other factors that impact the determination of the price of an instrument include but are not limited to the tenor, credit rating and market liquidity.

25 PROFORMA PRICING SUPPLEMENT FOR BONDS

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY.

THIS PRICING SUPPLEMENT AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"). THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (AS AMENDED) (THE "ISA" OR THE "ACT") PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PRICING SUPPLEMENT AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PRICING SUPPLEMENT.

INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGES [●] OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.

DANGOTE INDUSTRIES FUNDING PLC (RC 1901506)
(A SPECIAL PURPOSE VEHICLE WHOLLY OWNED BY
DANGOTE INDUSTRIES LIMITED (RC 71242)

OFFER FOR SUBSCRIPTION OF ₦[●] [●]% SERIES [●] [(TRANCHE [●])] BONDS DUE 20[●]
UNDER THE ₦300,000,000,000 DEBT ISSUANCE PROGRAMME

ISSUE PRICE: [₦1,000] PAYABLE IN FULL ON APPLICATION
APPLICATION LIST OPENS: [●]
APPLICATION LIST CLOSES: [●]

This Pricing Supplement is prepared pursuant to Rules 279(3)6(b) and 321 of the rules and regulations of the SEC, 2013 (as amended), the listing requirements of the FMDQ Securities Exchange Limited ("**FMDQ**") and the rules and regulations of Nigerian Exchange Limited ("**NGX**") in connection with the issuance of ₦[●] bonds under the ₦300,000,000,000 debt issuance programme established by Dangote Industries Funding PLC (the "**Issuer**" or "**Company**"), a special purpose vehicle wholly owned by Dangote Industries Limited ("**DIL**" or the "**Sponsor**"). This Pricing Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus, dated [●] as amended and/or supplemented from time to time and with all documents which are incorporated therein by reference. Any capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement except otherwise expressly stated. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the bonds only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. A copy of this Pricing Supplement has been delivered to the Commission for registration. A copy of the Pricing Supplement will also be made available for download on the respective websites of the Commission (www.sec.gov.ng) and the Issuer ([●]) throughout its validity period. Copies of this Pricing Supplement and the Shelf Prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses. The offer is open to High Net-Worth Individuals and Qualified Institutional Investors, as defined by Rule 321 of the rules and regulations of the SEC.

The Bonds described herein are issued on and are subject to the terms and conditions contained in the Shelf Prospectus as amended and/or supplemented by the terms and conditions contained in this Pricing Supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which form the subject matter hereof or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement/Supplementary Prospectus later than three years after the date of the issue of the Shelf Prospectus unless the Validity Period (as subsequently defined) is extended by the Commission. This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the "**Bonds**"). Application has been made to FMDQ and NGX for the admission of the Bonds to the Daily Quotations List and the Daily Official List, respectively. The Bonds also qualify as a security in which trustees may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria, 2004.

The Directors accept responsibility for the information contained in this Pricing Supplement and declare that having taken reasonable care to ensure that the information contained in this Pricing Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time. It is a civil wrong and a criminal offence under the ISA to issue a Prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 85 and 86 of the ISA.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS PRICING SUPPLEMENT AND REGISTRATION OF THE BONDS ISSUED HEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.

LEAD ISSUING HOUSE

RC [●]

JOINT ISSUING HOUSES

RC [●]

THIS PRICING SUPPLEMENT IS DATED THE DAY OF [●], 20[●]

TABLE OF CONTENTS

DEFINITION OF TERMS[12]

["Allocation Confirmation Notices"	The notification issued to each Applicant confirming the Bonds allocated to the Applicant following the conclusion of the Book Build and determination of the relevant clearing price
"Allotment"	The issue of Bonds to successful bidders pursuant to this Pricing Supplement
"Allotment Date"	The date on which the Bonds are allotted to successful bidders
"Applicant"	A Qualified Investor who offers to purchase the Bonds and submits Commitment Form(s) to the Book Runner(s)
"Auditors"	[●]
"Bid Coupon Rates"	The coupon rate or price at which an Applicant offers to purchase the Bonds
"Board" or "Directors"	Board of Directors of the Issuer
"Bonds"	The Series [●] [(Tranche [●])] Bonds being issued in accordance with the terms of the Shelf Prospectus and this Pricing Supplement
"Bondholder" or "Holder"	Any registered owner of the Bonds
"Book Runner(s)"	The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Bonds being sold by way of Book Building
"Book Building" or "Book Build"	As defined in SEC Rule 321, a process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Investors
"CSCS"	Central Securities Clearing Systems, operated by the Central Securities Clearing Systems PLC
"Clearing Price"	The final Coupon Rate for the Bonds agreed among the Issuer and Issuing Houses following the Book Build
"Company" or "Issuer"	Dangote Industries Funding PLC
"Conditions" or "Terms and Conditions"	The Terms and conditions of the Bonds set out in this Pricing Supplement
"Coupon" or "Coupon Rate"	The interest paid on the Bonds (other than a Zero Coupon Bond) periodically, expressed as [●]% of the face value of the Bonds
"Coupon Commencement Date"	The Issue Date for the Bonds, from which Coupon on the Bonds will begin to accrue
"Coupon Payment Date"	The date on which the Coupon falls due for payment to the Bondholders
"Depository"	CSCS and FMDQ Depository Limited
"Daily Official List"	The daily publication of NGX detailing price movements and information on all securities quoted on NGX

[12] To be updated as appropriate in line with transaction agreements.

"Daily Quotations List"	The daily official publication of FMDQ containing market/model prices and yields, and the values traded on all securities listed and quoted on FMDQ
"DIL" or "Sponsor"	Dangote Industries Limited
"Fixed Rate Bonds"	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis
"FMDQ"	FMDQ Securities Exchange Limited
"ISA"	Investments and Securities Act No. 29 of 2007 (as amended)
"Issue"	The issue of the Bonds to Qualified Investors
"Issue Date"	The date on which the Bonds are issued
"Issue Price"	The price at which the Bonds are issued
"Issuing Houses"	The Joint Issuing Houses and the Lead Issuing House
"Joint Issuing Houses"	[●]
"Lead Issuing House"	[●]
"Minimum Participation Amount"	[₦ ….], as stated on the Commitment Form. Bids below the Minimum Participation Amount will be disregarded unless they form part of a cumulative bid from the same investor that is, in aggregate, greater than the Minimum Participation Amount. Final allotment to respective bidders may be less than the Minimum Participation Amount if bids must be pro-rated for any reason.
"Participation Amount"	The amount an Applicant offers for the purchase of the Bonds
"Pricing Supplement"	This supplemental prospectus which contains relevant information relating to the Bonds, including but not limited to, details about the price, amount, issue date and maturity date of the Bonds
"Principal" or "Principal Amount"	The nominal amount of each Bond, as specified in this Pricing Supplement
"Programme"	The ₦300 billion debt issuance programme registered with the SEC by the Issuer as described in the Shelf Prospectus
"Programme Trust Deed"	The Programme Trust Deed entered into by the Issuer and the Trustees dated [●]
"Qualified Investor"	Qualified Institutional Investor or High Net Worth Investor as defined by the SEC Rules
"Rating Agency"	[●]
"Record Date"	Fifteen (15) days immediately preceding each Coupon Payment Date during which the Register will be closed
"Red Herring Prospectus"	the preliminary pricing supplement issued by the Issuing Houses to Qualified Investors for the purpose of determining the price and volume of the bonds to be issued

"Register"	The record maintained by the Registrar detailing amongst others, the particulars of Bondholders, nominal amount of Bonds held by each Bondholder and all subsequent transfers and changes in ownership of the Bonds
"Registrar"	[●]
"SEC" or "Commission"	Securities and Exchange Commission, Nigeria
"SEC Rules"	The rules and regulations of the SEC, 2013 (as may be amended from time to time)
["Series [●] Bonds"	The [₦ …] Series [●] Bonds issued under the Programme]
"Series Trust Deed"	The Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees and empowering the Trustees in relation to the issuance of the Bonds
"Shelf Prospectus"	The Shelf Prospectus approved by the SEC and dated [●] that the Issuer filed in accordance with the SEC Rules
"NGX"	Nigerian Exchange Limited
"Trustees"	[●]
"Validity Period"	A period of three (3) years from the date of this Shelf Prospectus, save as may be extended further to the approval of the SEC
"Zero Coupon Bond"	non-interest-bearing bond or similar securities.

Parties To The Offer

Directors and Company Secretary of the Issuer

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

Company Secretary

[Name] ([Designation])
Address: [●]

Directors and Company Secretary of the Sponsor

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

[Name] ([Designation])
Address: [●]

Company Secretary

[Name] ([Designation])
Address: [●]

PROFESSIONAL PARTIES

Lead Issuing House:

[Name]
[Address]

Joint Issuing Houses:

[Name]
[Address]

[Name]
[Address]

[Name]
[Address]

Solicitors to the Transaction:

[Name]
[Address]

Receiving Banks:

[Name]
[Address]

[Name]
[Address]

[Name]
[Address]

Trustees:

[Name]
[Address]

[Name]
[Address]

[Name]
[Address]

Advised by:

[Name]
[Address]

Solicitors to the Issuer:

Banwo & Ighodalo
48 Awolowo Road
South-West Ikoyi
Lagos

Registrar:

[Name]
[Address]

Reporting Accountant:

[Name]
[Address]

Auditor:

[Name]
[Address]

Rating Agency:

[Name]
[Address]

Stockbrokers:

[Name]
[Address]

Summary Of The Offer

1.	Issuer:	Dangote Industries Funding PLC
2.	Sponsor:	Dangote Industries Limited
3.	Description of the Bond:	[●] year [●] % [fixed rate senior unsecured bonds] due 20[●]
4.	Series Number:	[●]
5.	Tranche	[●] [N/A]
6.	Specified Currency:	Nigerian Naira ("₦")
7.	Aggregate Nominal Amount:	₦[●]
8.	Issue Price:	[At par, ₦1,000 per unit of the Bond]
9.	Net proceeds:	₦[●]
10.	Minimum Participation Amount:	[Minimum of ₦10,000,000 (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000 thereafter. Bids below the Minimum Participation Amount will be disregarded unless they form part of a cumulative bid from the same investor that is, in aggregate, greater than the Minimum Participation Amount. Final allotment to respective bidders may be less than the Minimum Participation Amount if bids must be pro-rated for any reason].
11.	Tenor:	[●] years
12.	Allotment Date:	[●]
13.	Issue Date:	[●]
14.	Coupon Commencement Date:	Coupon shall accrue from the Issue Date
15.	Maturity Date:	[●]
16.	Coupon Basis:	[Semi-annual, fixed rate]
17.	Coupon Rate:	[●] % p.a. payable semi-annually in arrears
18.	Principal Redemption Basis:	[If not redeemed earlier in accordance with the redemption provisions in Condition [●] of the Series Trust Deed, the Bonds shall be redeemed in full on the Maturity Date]
19.	Source of Repayment:	[●]
20.	Ranking:	[The Bonds shall constitute direct, unconditional, senior and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves.]
21.	Payment Undertaking:	N/A
22.	Use of Proceeds:	See 'Use of Proceeds' on page [●]
23.	Listing(s):	Application for listing of the Bonds has been made to [NGX and/or FMDQ]
PROVISIONS RELATING TO COUPON PAYABLE		
24.	Fixed Rate Bond Provisions:	
	(i) Coupon Payment Date(s)/Payment Dates:	Coupon on the Bonds will be payable semi-annually, on [●] and [●] of each year commencing on [●] until the Maturity Date

	(ii) Coupon Amount(s):	[As applicable for each Coupon period (Coupon accumulated between each Coupon payment) using the actual / actual day count fraction]
	(iii) Day Count Fraction:	[Actual/actual (actual number of days in a month/ actual number of days in the year)]
	(iv) Business Day Convention:	Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on the next succeeding Business Day unless that succeeding Business Day falls in a different month in which case, payment shall be made on the immediately preceding Business Day
	(v) Other terms relating to method of calculating Coupon for Fixed Rate Bonds:	N/A
	(vi) Floating Rate Bond Provisions:	N/A
	(vii) Zero Coupon Note Provisions:	N/A
	(viii) Index Linked Coupon Note Provisions:	N/A
	(ix) Dual Currency Note Provisions:	N/A
	(x) Automatic/ Optional Conversion from one Coupon Payment Basis to another:	N/A
PROVISIONS RELATING TO REDEMPTION/REPAYMENT		
25.	Optional Early Redemption:	
	(i) Call Option:	[N/A]
	(ii) Call Price:	[N/A]
	(iii) Put Option:	[N/A]
26.	Scheduled Amortization:	[N/A]
27.	Redemption:	[The Bonds shall be redeemed in full on the Maturity Date unless previously redeemed pursuant to Condition [●] of the Series Trust Deed]
28.	Repayment Basis	[Bullet repayment on maturity or on call, at Par]
29.	Final Redemption Amount	₦[●]
30.	Scheduled Redemption Dates:	[N/A]
31.	Early Redemption Amount(s) payable on redemption for tax reasons	[Nominal Amount outstanding on the date of redemption]/[N/A]
GENERAL PROVISIONS APPLICABLE TO THE BONDS		
32.	Form of Bonds:	[The Bonds will be issued in registered, dematerialized form. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Bonds being entered in the Register by

		the Registrar and the Bonds being electronically credited in the Depository accounts of the Bondholders.]
33.	Registrar:	[●]
34.	Trustees:	[●]
35.	Record Date:	[Fifteen (15) days immediately preceding each Coupon Payment Date, during which the Register will be closed]
36.	Other terms or special conditions:	See "Terms and Conditions of the Bonds" on pages [●] to [●]
37.	Payment Agent	[N/A]
DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS		
38.	Method of Distribution:	[Offer for subscription by Book Building]
39.	Underwriting:	[The Offer will not be underwritten]/[The Offer will be underwritten by [●]]
40.	Delivery:	Delivery after payment following clearance by the SEC
41.	Clearing:	[FMDQ Clear Limited and CSCS]
42.	Depository:	[CSCS (Address: Stock Exchange House 2/4 Customs Street, Lagos, Nigeria) and FMDQ Depository Limited (53, Idowu Taylor Street, Victoria Island, Lagos, Nigeria)]
43.	Transfer Restrictions:	There are no restrictions in Nigeria on free transferability of the securities following the listing of the Bonds other than Rule 322 of the SEC Rules, which limits sale to Qualified Institutional Investors and High Net-worth Investors.
44.	Transfer:	Transfer of the Bonds shall be by book entries in securities accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer and the Trustees, and registration of the name of the transferee in the Bond Register in respect of Bonds then held.
45.	Offer Period:	See timetable on page [●]
GENERAL		
46.	Ratings	Issue Rating: [●] by [●] Issuer Rating: [●] by [●] A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
47.	Date of Issue of Credit Ratings and Date of Next Review	[●] rating obtained on [●]. Next reviews are approximately on or before the ratings expiration dates as stated on the respective ratings reports.
48.	Indebtedness:	As at [●], the Issuer's total borrowings amounted to approximately [₦ …].
49.	Taxation:	See tax considerations on pages [●] of the Shelf Prospectus.
50.	Risk Factors:	See "Risk Factors" on pages [●] of the Shelf Prospectus.

51.	Governing Law:	The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
52.	Material Changes	Save as disclosed in the Shelf Prospectus as read together with this Pricing Supplement, the Board confirms that there has been no material adverse change in the Issuer's financial position since the end of the 12-month period ended [●].
53.	Declarations	Except as otherwise disclosed in the Shelf Prospectus and this Pricing Supplement (a) None of the Directors is under any bankruptcy or insolvency proceedings in any court of law; (b) None of the Directors has been convicted in any criminal proceedings; (c) None of the Directors is subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty; and (d) Neither the issuer nor any of its subsidiaries has, during the twelve calendar months immediately preceding the date of application to the Commission for registration of the Shelf Prospectus and during the effective period of the Shelf Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies. Also see Declaration by the Issuer on page [●].
54.	Summary of Financials	This is contained in the Shelf Prospectus and hereby incorporated by reference.

CORPORATE INFORMATION OF ISSUER:

Head Office:

Dangote Industries Funding Plc
[Address]

Contact information:
Website: [●]
Telephone: +234 [●]
Email: [●]

APPENDIX A: INDICATIVE TRANSACTION TIMELINE

DATE	ACTIVITY	RESPONSIBILITY
[●]	Receive SEC approval of the Red Herring Prospectus to commence Book Building	Issuing Houses
[●]	Commence Book Building	Issuing Houses / Book Runners
[●]	Conclude Book Building	Issuing Houses / Book Runners
[●]	Determine coupon rate and aggregate principal amount of Bonds to be issued	Issuing Houses / Book Runners
[●]	Dispatch Allocation Confirmation Notices to successful investors	Issuing Houses / Book Runners
[●]	Update Pricing Supplement and other offer documents and file with the SEC	Issuing Houses
[●]	Obtain SEC's No-Objection and clearance to convene signing ceremony	Issuing Houses / Book Runners
[●]	Conduct signing of Offer Documents	All Parties
[●]	Effect payment of Participation Amounts to Receiving Banks	Applicants
[●]	Remit net issue proceeds to the Issuer	Receiving Banks
[●]	File executed Offer Documents and the Basis of Allotment with SEC	Issuing Houses
[●]	Receive SEC 'No Objection' to the Basis of Allotment	Issuing Houses
[●]	Publish allotment announcement	Issuing Houses
[●]	Credit Depository accounts of investors/allottees	Registrars
[●]	Obtain approval for listing of the Bonds	Issuing Houses/Stockbrokers
[●]	Listing of the Bonds	Issuing Houses/Stockbrokers
[●]	File Post Allotment report	Issuing Houses

Appendix B: Declaration By Issuer And Other Disclosures

a. Declaration by the Issuer

[●]

Confirmation of Going Concern Status

[●]

Authorisation of Bonds

[●]

I. OWNERSHIP STRUCTURE

The current share capital of the Company is ₦[●] divided into [●] ordinary shares of ₦[●] each, which has been fully paid up.

The table below sets out the outstanding issued and paid-up capital legally and/or beneficially held by shareholders holding more than 5% of the Company's ordinary shares as at [●]:

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	SHAREHOLDING (%)
Dangote Industries Limited	[●]	[●]
[●]	[●]	[●]

The table below sets out a summary of the capital structure of the Sponsor as at [●]:

Description ₦ (Millions)	12 months Ended 31 Dec 2021	12 months Ended 31 Dec 2020	12 months Ended 31 Dec 2019
Cash and Cash Equivalent at end of year (net of bank overdrafts used for cash management)	[●]	[●]	[●]
Short-term Debt	[●]	[●]	[●]
Long-term Debt	[●]	[●]	[●]
Total Shareholders' Equity	[●]	[●]	[●]

II. SHARE CAPITAL HISTORY

The share capital of the Company at incorporation was ₦[●] divided into [●] ordinary shares of ₦[●] each. There have been no changes to the share capital of the Issuer since incorporation.

The share capital of the Sponsor at incorporation was ₦[●] divided into [●] ordinary shares of [●] each. The current share capital of the Sponsor is ₦[●] divided into [●] ordinary shares of ₦[●] each. The changes in the authorised and issued share capital of the Sponsor since incorporation are as follows:

	AUTHORISED SHARE CAPITAL (₦)				ISSUED AND FULLY PAID-UP SHARE CAPITAL (₦)		CONSIDERATION
YEAR	INCREASE	CUMULATIVE	PAR VALUE OF EACH SHARE	NUMBER OF SHARES	INCREASE	CUMULATIVE	CASH/BONUS/ OTHERS

III. DIRECTORS' INTERESTS

The Directors of the Company who hold shares therein and their respective direct shareholdings are as recorded in the register of members as at [●] and confirmed by the Registrar as follows:

NAME OF DIRECTORS	NUMBER OF SHARES HELD
[●]	[●]
[●]	[●]
[●]	[●]

IV. Material Contracts

The following agreements are considered material to the transaction:

- **A Programme Trust Deed** dated [●] between the Issuer, the Sponsor and [●].
- **A Series** [●] **[(Tranche** [●]**) Trust Deed** dated [●] between the Issuer, the Sponsor and [●].
- **A Vending Agreement** dated [●] between the Issuer, the Sponsor and the Issuing Houses.

V. Claims and Litigation

The opinion of the Solicitors to the Transaction, in connection with the issuance of the Bonds by the Issuer (the "**Transaction**") is set out below:

[●]

VI. Mergers and Takeovers

As at the date of this Pricing Supplement, the Directors are not aware of the following during the preceding financial year or current financial year: (a) a merger or takeover offer by third parties in respect of the Issuer's securities; and (b) a merger or takeover by the Issuer in respect of another company's securities.

VII. Consents

The underlisted parties have given and not withdrawn their written consents to the mention and inclusion of their names and reports (where applicable) in the form and context in which they appear in this Pricing Supplement:

The Directors of Dangote Industries Funding Plc	Alhaji Aliko Dangote Mr. Olakunle Alake
The Company Secretary of Dangote Industries Funding Plc	Banwo & Ighodalo
Lead Issuing House	[●]
Joint Issuing Houses	[●]
Solicitors to the Issuer	Banwo & Ighodalo

Solicitors to the Transaction	[●]
Joint Trustees	[●]
Auditor	[●]
Registrar	[●]
Other Experts	*[as applicable]*
Reporting Accountant	[●]
Receiving Banks	[●]
Rating Agency	[●]
Stockbrokers	[●]

VIII. Documents Available for Inspection

Copies of the following documents may be inspected at the offices of the Issuer and the Issuing Houses as listed on pages [●] of this Pricing Supplement during the hours of 8:00am and 5:00pm (both aforementioned times inclusive) on any Business Day from the date of this Pricing Supplement, throughout the Validity Period:

i. The Certificate of Incorporation of the Issuer and the Sponsor, respectively;
ii. The Memorandum and Articles of Association of the Issuer and the Sponsor, respectively;
iii. The Board Resolution of the Issuer dated [●] authorizing the issuance of the Bonds;
iv. The Board Resolution of the Sponsor dated [●] authorizing the establishment of the Programme;
v. The Audited Financial Statements of the Sponsor for each of the five years up to the year ended [●];
vi. The Statement of Affairs of the Issuer for the year ended [●];
vii. The Shelf Prospectus dated [●];
viii. This Pricing Supplement;
ix. The Rating Report issued by [●] in respect of the Issuer;
x. The schedule of claims and litigation involving the Issuer together with the opinion of the Solicitors to the Transaction prepared in connection therewith;
xi. The Material Contracts referred to in this Pricing Supplement;
xii. The written consents of the Parties referred to in this Pricing Supplement;
xiii. Reporting Accountant's Report on the Audited Accounts of the Sponsor for the five years up to the year ended [●]; and
xiv. Letter from the SEC approving the registration of this Pricing Supplement.

The above-listed documents, which have been filed with the SEC, are incorporated by reference in this Pricing Supplement.

IX. Related Party Transactions

The details of related party transactions are contained in the Audited Financial Statements of the Sponsor for the year ended [●] and are incorporated by reference.

X. Pledged Assets

The Issuer does not have any pledged assets. With regard to the Sponsor, please see page [●] of the Shelf Prospectus, which is hereby incorporated by reference.

XI. Debtors and Creditors

The Issuer does not have any debtors and creditors. With regard to the Sponsor, please see page [●] of the Shelf Prospectus, which is hereby incorporated by reference.

APPENDIX C: USE OF PROCEEDS

[The Issuer will apply a portion of the proceeds raised from the Offer towards its operational working capital requirements.] Accordingly, the estimated net issue proceeds of the Bonds – being ₦[●] following the deduction of the offer costs of ₦[●] representing [●]% of the gross issue proceeds – will be utilized for the purposes stated below:

S/N	PROJECT DESCRIPTION	AMOUNT TO BE FUNDED FROM PROGRAM (₦)	AMOUNT TO BE FUNDED FROM BOND PROCEEDS (₦)	PERCENTAGE OF PROCEEDS TO BE ALLOCATED (%)	DURATION (COMMENCING FROM THE ISSUE DATE)
1	[●]	[●]	[●]	[●]	[●]
2	[●]	[●]	[●]	[●]	[●]
3	[●]	[●]	[●]	[●]	[●]
	TOTAL	[●]	[●]	100.0%	

APPENDIX D: EXTRACT OF THE TRUST DEED

[●]

APPENDIX E: EXTRACT OF RATINGS

Rating Report issued by [●]

[●]

APPENDIX F: EXTRACT FROM REPORTING ACCOUNTANT'S REPORT

[●]

APPENDIX G: FINANCIAL SUMMARY

The financial information of the Sponsor is set out on pages [●] to [●] of the Shelf Prospectus are hereby incorporated by reference. The [Statement of Affairs of the Issuer for the year ended [●] is hereby incorporated by reference and is available for inspection.

APPENDIX H: MANAGEMENT DISCUSSION AND ANALYSIS

[●]

APPENDIX I: PROCEDURE FOR APPLICATION AND ALLOTMENT

1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through any of the Issuing Houses/Book Runners.

1.1 The Book Build opens on [●] and closes on [●]. Orders must be for a minimum of [₦…] and in integral multiples of [₦1,000] thereafter. Bids below the Minimum Participation Amount will be disregarded unless they form part of a cumulative bid from the same investor that is, in aggregate, greater than the Minimum Participation Amount. Final allotment to respective bidders may be less than the Minimum Participation Amount if bids must be pro-rated for any reason.

1.2 Participation Amount(s) and Bid Coupon Rate(s) ("**Order(s)**") should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement (the "**Commitment Form**").

1.3 By completing and submitting the Commitment Form, each Applicant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Applicant.

1.4 Applicants may bid/place orders for the Bonds at any price within the price range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.

1.5 A corporate Applicant should state its incorporation (RC) number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.

1.6 An individual Applicant should sign the declaration and write his/her full name, address and daytime telephone number on the Commitment Form. Joint applicants must all sign the Commitment Form.

1.7 Upon the completion and submission of the Commitment Form, the Applicant is deemed to have authorized the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in this Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the final Pricing Supplement with the SEC.

1.8 The Commitment Form presents the Applicant with the choice to bid for up to three optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Applicant in the Commitment Form will be treated as optional demands from the Applicant and will not be cumulated.

1.9 After determination of the Coupon Rate, the maximum Participation Amount specified by an Applicant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.

1.10 The Issuer in consultation with the Book Runners reserves the right not to proceed with the Offer at any time including after the Book Building opening date but before the Allotment Date without assigning any reason thereof, subject to notifying the Commission.

2. Payment Instructions

Successful Applicants should ensure that payment of the Participation Amounts is received on the completion meeting date via the CBN Real Time Gross Settlement ("**RTGS**") or NIBSS Electronic Fund Transfer ("**NEFT**") into the following designated Issue Proceeds Account domiciled with the Receiving Banks:

ACCOUNT NAME	BANK	ACCOUNT NUMBER
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

3. Allocation/Allotment

3.1 On the date on which the final price (Coupon rate) of the Bonds is determined after close of the Book Build ("**Pricing Date**"), the Issuing Houses will analyze the demand of submitted bids and in consultation with the Issuer, finalize the allocations to each Applicant. Allocation Confirmation Notices will be sent to successful Applicants thereafter.

3.2 The members of the Board and the Issuing Houses reserve the right to accept or reject any application for not complying with the terms and conditions of the Issue.

3.3 Upon clearance of the final Pricing Supplement by the SEC, allotment shall be effected in dematerialized (uncertificated) form. Applicants will receive the Bonds in dematerialized form and are mandatorily required to specify their CSCS Account Number, clearing house number ("**CHN**"), and member code in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialized form shall be effected not later than 15 (Fifteen) Business Days from the date of the approval of the Allotment by the SEC.

3.4 Applicants must ensure that the name specified in the Commitment Form is exactly the same as the name in which the CSCS Account Number is held. Where the application is submitted in joint names, it should be ensured that the beneficiary's CSCS Account is also held in the same joint names and are in the same sequence in which they appear in the Commitment Form.

4. Bank Account Details

4.1 Applicants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.

4.2 Applicants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.

4.3 Failure to provide correct bank account details could result in delays in credit of such payments or, where applicable, issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, Issuing Houses, Receiving Banks, Trustees and Registrar shall not have any responsibility following posting of cheques/warrants nor will any of these specified parties undertake any liability for the same as the postal authority shall be deemed to be the agent of the Applicant for the purposes of all cheques posted.

APPENDIX J: COMMITMENT FORM

DANGOTE INDUSTRIES FUNDING PLC (RC 1901506)

OFFERING BY WAY OF BOOK BUILDING OF ₦[●] [●]% SERIES [●] [(TRANCHE [●])] BONDS DUE [●]
UNDER THE ₦300,000,000,000 DEBT ISSUANCE PROGRAMME

LEAD ISSUING HOUSE

[●]

JOINT ISSUING HOUSES

[●]

Error! Hyperlink reference www.sec.gov.ng

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance. By signing this form, you confirm and agree that the Issuing Houses are acting as agents for the Company and no other party, including any investor, in relation to the Offer.

DECLARATION

☐ I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC rules and regulations.

☐ I/We confirm that I/we have read the Pricing Supplement dated [●] and that my/our order is made on the terms set out therein.

☐ I/We hereby irrevocably undertake and confirm that my/our order for Bonds equivalent to participation amount set out below at the Interest Rate to be discovered through the book building process.

☐ I/We authorise you to enter my/our name on the register of holders as a holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below.

☐ I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the Bond Issue.

☐ I/We note that the Issuer and the Issuing House/Bookrunner are entitled in their absolute discretion to accept or reject this order.

☐ I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement.

☐ I/We confirm that we have conducted all appropriate Know-your-customer identification and verification checks on the subscribers to our fund/investment vehicle, in line with all applicable AML/CFT legislation and regulations.

PLEASE COMPLETE ALL RELEVANT SECTIONS OF THIS FORM USING BLOCK LETTERS WHERE APPLICABLE

DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
/ / 2 0 2 _	

PARTICIPANTS CAN INDICATE UP TO THREE (3) OPTIONAL BID MARGINS AND SPECIFY THE PARTICIPATION AMOUNT APPLICABLE TO EACH BID INTEREST RATE. THESE WILL BE TREATED AS OPTIONAL ORDERS AND **WILL NOT BE AGGREGATED**. PLEASE TICK ☐ THE APPLICABLE BOX ON THE RIGHT.

	PFA		Investment/Unit Trusts		Trustee/Custodian
	Fund Managers		HNI		Stockbroker
	Bank		Private Equity Fund		
	Insurance Company		Staff Scheme		

PARTICIPANT DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) must be stated in the boxes below)

ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF [₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER])		BID COUPON RATE
IN FIGURES	₦	
IN WORDS		

ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF [₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER])		BID COUPON RATE
IN FIGURES	₦ —	
IN WORDS		

ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF [₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER])		BID COUPON RATE
IN FIGURES	₦	
IN WORDS		

PLEASE TURN OVER TO COMPLETE THIS FORM

COMMITMENT FORM (REVERSE SIDE)

PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT) (PLEASE USE ONE BOX FOR ONE ALPHABET LEAVING ONE BOX BLANK BETWEEN FIRST WORD AND SECOND)

SURNAME/CORPORATE NAME

T NAME (FOR INDIVIDUALS ONLY) OTHER NAMES (FOR INDIVIDUALS ONLY)

T APPLICANT'S FIRST NAME (IF APPLICABLE) OTHER NAMES (FOR JOINT APPLICANT ONLY)

TACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)

RESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT

TE IL

ALLOTMENT PREFERENCE:

Please tick in the box to indicate allotment preference – CERTIFICATE / ELECTRONIC (BOOK ENTRY)

E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY) (AS APPLICABLE)

Please credit my/our CSCS Account as detailed below to the extent of the Bonds allotted:

PARTICIPANT'S CSCS ACCOUNT NO: CHN (CLEARING HOUSE NUMBER):

NAME OF STOCKBROKING FIRM R

E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY) (AS APPLICABLE)

Please credit my/our Investor's Account as detailed below to the extent of the Bonds allotted on the FMDQ Depository (Q-eX):

FMDQ DEPOSITORY PARTICIPANT'S BPID No*: CLIENT BPID No*:

NAME OF STOCKBROKING FIRM R

BANK DETAILS (FOR E-PAYMENTS)

BANK NAME		BRANCH	
ACCOUNT NO:		CITY/STATE	

SIGNATURES

SIGNATURES	2ND SIGNATURE (CORPORATE/JOINT)	RC. NO.
NAME OF AUTHORISED SIGNATORY *(Corporate only)*	NAME OF AUTHORISED SIGNATORY *(Corporate/Joint)*:	
DESIGNATION *(Corporate only)*:	DESIGNATION *(Corporate only)*:	

STAMP OF RECEIVING AGENT
ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE/ PLACEMENT AGENTS ONLY)