



DANGOTE CEMENT PLC
DANGOTE CEMENT LIMITED TANZANIA
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

31 DECEMBER 2024

Instruction:

Please read carefully the instructions in the next worksheet before using the pack

COMPLETION INSTRUCTIONS

- 1) Please replace LC (Local currency) with your entity's presentation currency(e.g. CFA, ZAR, etc.)
- 2) Do not add or remove cells. If you have balances that do not fall into the descriptions already provided in this template please contact HO Reporting team i.e. Ibukun Onasanya or Paul Masvongo
- 3) The SFP and the SPL lines are linked to the notes and should be populated through their respective notes
- 4) Note 7- Others should not exceed 5% of the total balance-If it does provide separate breakdown
- 5) Note 8- Others should not exceed 5% of the total balance-If it does provide separate breakdown
- 6) Note 9- Others should not exceed 5% of the total balance-If it does provide separate breakdown
- 7) Note 10- Others relate only to unwinding discount of long term provisions
- 8) Note 21- Other receivables should not exceed 5% of the total balance-If it does provide separate breakdown
- 9) Note 25- Accruals should not exceed 5% of the total trade and other payable balance-If it does, please provide separate breakdown
- 10) Please ensure you provide details requested throughout the pack as applicable to your entity
- 11) Note 2 contains the Group significant accounting policies, please apply them for your reporting

DIRECTORS' REPORT

Report of the Directors

The Directors of Dangote Cement Plc. present the Consolidated and Separate Financial Statements for the year ended 31st December 2021. The Directors have considered all the matters brought before them in the financial year under review and are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

Legal Form

Obajana Cement Plc., subsequently renamed Dangote Cement Plc., by virtue of a special resolution dated 14th July 2010, was incorporated in Nigeria as a public limited company on 4th November 1992 and commenced operations in January 2007. Dangote Cement Plc. listed its shares on the Nigerian Stock Exchange ("the Exchange") on 26th October 2010 and it has a market capitalisation of almost four billion Naira.

Principal Activities

The Company was established for the purpose of establishing operational factories for the preparation, manufacture, sale and distribution of cement and related products. Our operational activities are undertaken at various plants in Nigeria and through our subsidiaries across Africa. Details of our production, grinding and import facilities in Africa can be found in Note 18 of the Financial Statements.

Subsequent Events

Other than those disclosed in Note 38 of the Financial Statements, there were no other events after the reporting date which could have had a material effect on the financial position of the Group as at 31 December 2021 which have not been adequately provided for in the Financial Statements.

Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements, which they confirm gives a true and fair view of the state of affairs of the Company and of the profit or loss for that period. The financial statements comply with the provisions of the Companies and Allied Matters Act (CAMA), 2020. In so doing they ensure that they act in accordance with the Directors' responsibilities outlined below:

1. The Board is charged with ensuring that appropriate values, ethics and behaviours for the conduct of the Company are agreed and that appropriate procedures and policies are in place to ensure that these are implemented effectively. The Board ensures leadership through effective oversight and review. Supported by its Committees, the Board sets the Company's strategic direction and aims to deliver a sustainable increase in shareholder value over the longer term.
2. The Board ensures that proper accounting records are maintained, that accounting policies are used and consistently applied and that appropriate financial statements are prepared on the going concern basis, in conformity with applicable law and standards. Most of this responsibility is delegated to the Finance and Investment Committee.
3. The Board ensures that adequate internal control procedures are established to safeguard the assets of the Company and to present and detect fraud and other irregularities. It also oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate the principal risks of the Company's business. Much of this work is delegated to the Audit, Risk and Compliance Committee.

4. The Board reviews the remuneration framework, performance criteria and succession planning at Board and Executive Management level. It also oversees the Group's human resources strategy including the organizational and compensation structures. Much of these responsibilities are delegated to the Remuneration, Governance and Nomination Committee.

DANGOTE CEMENT PLC
DANGOTE CEMENT LIMITED TANZANIA
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Company	
		Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Revenue	9	436,887,634	462,807,037
Production cost of sales	10	(261,769,195)	(246,723,597)
Gross profit		175,118,439	216,083,440
Selling and distribution expenses	11	(155,897,140)	(165,574,709)
Administrative expenses	12	(30,894,800)	(31,344,095)
Other income	13	3,392,749	544,833
Profit from operating activities		(8,280,752)	19,709,469
Finance income	14.1	86,516,483	-
Finance costs	14.2	(175,674,428)	(325,303,377)
Share of profit from associate	18.3	-	-
Profit before tax		(97,438,697)	(305,593,908)
Income tax expense	15.1	-	(568,911)
Profit for the year		(97,438,697)	(306,162,819)
Profit for the year attributable to:			
Owners of the Company		(97,438,697)	(306,162,819)
Non-controlling Interests		-	-
		(97,438,697)	(306,162,819)
Earnings per share, basic and diluted (Naira)	13	-	-

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

DANGOTE CEMENT PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	Company	
		31/12/24 TZS'000	31/12/23 TZS'000
Assets			
Non-current assets			
Property, plant and equipment	16	793,859,180	839,935,476
Right of use assets	17	49,080,554	49,636,117
Prepayments	19.1	-	-
Total non-current assets		842,939,734	889,571,593
Current assets			
Inventories	20	52,587,798	59,140,900
Trade and other receivables	21	28,601,299	23,998,993
Prepayments and other current assets	19.2	772,718	772,718
Current tax assets	14.2	-	-
Cash and cash equivalents	32.1	22,190,078	28,289,775
Total current assets		104,151,893	112,202,386
Total assets		947,091,627	1,001,773,979
Liabilities			
Current liabilities			
Trade and other payables	25	244,097,010	223,831,810
Lease liabilities	33	2,885,248	2,885,248
Current tax liabilities	14.3	-	-
Financial liabilities	26	2,343,151,918	2,311,456,709
Other current liabilities	27.2	-	-
Total current liabilities		2,590,134,176	2,538,173,767
Non-current liabilities			
Financial liabilities	26	-	9,235,416
Lease liabilities	33	13,673,780	13,673,782
Provisions	28	257,941	226,588
Total non-current liabilities		13,931,721	23,135,786
Total liabilities		2,604,065,897	2,561,309,553
Net assets		(1,656,974,270)	(1,559,535,574)
Equity			
Share capital	23.1	100,000,000	100,000,000
Retained earnings		(1,756,974,270)	(1,659,535,574)
Equity attributable to owners of the Company		(1,656,974,270)	(1,559,535,574)
Non-controlling interest		-	-
Total equity		(1,656,974,270)	(1,559,535,574)
Total equity and liabilities		947,091,627	1,001,773,979

DANGOTE CEMENT PLC
DANGOTE CEMENT LIMITED TANZANIA
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Company	
		Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Cash flows from operating activities			
Profit before tax		(97,438,697)	(305,593,908)
Adjustments for:			
Depreciation & amortisation	15 & 16	54,495,455	55,453,679
Write off & impairment of property, plant, equipment and intangible		234,945	210,468
Depreciation of right of use asset	17	555,563	550,754
Interest expense - Borrowings	10.2	146,640,264	162,393,925
Interest expense - Lease		2,885,246	2,885,246
Unrealized exchange differences on operating assets		100,343	(848,055)
Non cash loan adjustment		(505,010)	-
Net exchange loss/(gain) on borrowings and non-operating assets		(81,128,768)	149,725,199
Provisions		31,353	30,149
		25,870,694	64,807,457
Changes in working capital:			
Change in inventories		6,553,102	37,518
Change in trade and other receivables		(4,602,307)	(6,256,297)
Change in trade and other payables		20,265,200	(7,316,873)
Change in prepayments and other current assets		-	-
Change in other current liabilities		-	-
		48,086,689	51,271,806
Income tax paid		-	(864,599)
Net cash generated from operating activities		48,086,689	50,407,206
Cash flows from Investing activities			
Interest received		-	-
Acquisition of right of use	17	-	(520,391)
Acquisition of property, plant and equipment		(8,654,104)	(26,383,037)
Additions to property, plant and equipment	15	(8,654,104)	(26,383,037)
Change in prepayments for property, plant & equipment		-	-
Net suppliers' credit repaid		-	-
Net cash used in investing activities		(8,654,104)	(26,903,428)
Cashflows from Financing activities			
Interest paid		(7,524,981)	(7,721,437)
Interest paid on lease		(2,885,246)	(2,885,246)
Lease payment		(2)	(2)
Loans obtained		32,316,645	25,605,020
Loans repaid		(67,338,357)	(56,877,425)
Net cash used in financing activities		(45,431,941)	(41,879,090)
Increase/(decrease) in cash and cash equivalents		(5,999,356)	(18,375,312)
Cash and cash equivalents at beginning of year		28,289,775	45,817,032
Effects of exchange rate changes		(100,343)	848,055
Cash and cash equivalents at end of year	32.1	22,190,076	28,289,775

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

DANGOTE CEMENT PLC
DANGOTE CEMENT LIMITED TANZANIA
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOM
FOR THE YEAR ENDED 31 DECEMBER 2024

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Profit for the year	(97,438,697)	(306,162,819)
Other comprehensive income, net of tax:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating net investments in foreign operations	-	-
Other comprehensive loss for the year, net of tax	-	-
Total comprehensive income for the year	(97,438,697)	(306,162,819)
Total comprehensive income for the year attributable to:		
Owners of the Company	(97,438,697)	(306,162,819)
Non-controlling Interests	-	-
	(97,438,697)	(306,162,819)

**DANGOTE CEMENT PLC
DANGOTE CEMENT LIMITED TANZANIA
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

Company	Share capital	Share premium	Treasury Shares	Capital contribution	Retained earnings	Total equity
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1 January 2023	100,000,000	-	-	-	(1,353,372,755)	(1,253,372,755)
Profit for the year	-	-	-	-	(306,162,819)	(306,162,819)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(306,162,819)	(306,162,819)
Dividends	-	-	-	-	-	-
Effect of shares buy-back	-	-	-	-	-	-
Balance as at 31 December 2023	100,000,000	-	-	-	(1,659,535,574)	(1,559,535,574)
Balance as at 1 January 2024	100,000,000	-	-	-	(1,659,535,574)	(1,559,535,574)
Profit for the year	-	-	-	-	(97,438,697)	(97,438,697)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(97,438,697)	(97,438,697)
Dividends	-	-	-	-	-	-
Balance as at 31 December 2024	100,000,000	-	-	-	(1,756,974,271)	(1,656,974,271)

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

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

Dangote Cement Plc (“the Company”) was incorporated in Nigeria as a public limited liability company on 4 November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14 July 2010 to Dangote Cement Plc.

Its parent company is Dangote Industries Limited (“DIL” or “the Parent Company”). Its ultimate controlling party is Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as “the Group”) is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company’s production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries’ locations is disclosed in Note 18.

The consolidated financial statements for the year ended 31 December 2021 comprise the results and the financial position of the Company and its subsidiaries (together referred to as “the Group” and individually as “Group entities”).

The separate financial statements of the Company for the year ended 31 December 2021 comprise those of the Company only.

2. Significant accounting policies

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

2.1 Statement of compliance

The Group and Company's financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together “IFRS”) that are effective at 31 December 2021 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.2 Basis of preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items:

- Defined benefit obligations: Present value of the obligation.
- Non-derivative financial instruments – initially at fair value and subsequently at amortized cost using effective interest rate.
- Derivative financial instruments – measured at fair value.
- Inventory - lower of cost and net realisable value.
- Lease liabilities- measured at present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.3 Basis of Consolidation

The Group financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31 December 2021. Control is achieved where the investor; (i) has power over the investee entity (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners' of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.3.1 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements. Management performs an assessment at the end of each reporting period to determine whether there is any indication that the Investment in the subsidiaries may be impaired.

2.3.2 Transactions eliminated on consolidation

All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.4 Interest in associates

An associate is an entity over which the Group has significant influence. 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the separate financial statements for the parent company, investments in associates are recognised at cost less accumulated impairment.

2.5 Non-controlling interest

Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interests" in the statement of financial position, even if it creates negative non-controlling interests.

2.6 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at 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.

2.7 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a 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 recognized 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, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.8 Revenue

The Group recognises revenue from the sale of cement and related products. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of products to the customers.

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2.8.1 Sale of cement and related products

The Group sells cement and related products both to distributors and directly to end user customers through its plants and depots.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 onselling 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.

2.9 Finance income

Finance income comprises interest income on short-term deposits with banks, interest on leases, dividend income, changes in the fair value of financial instruments at fair value through profit or loss, compensation for time value of money on road infrastructure tax scheme and foreign exchange gains.

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).

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.

2.10 Production cost of sales

Production cost of sales represents decreases in economic benefits during the accounting period that are directly or indirectly attributable to manufacturing inventory for sale.

2.11 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provision, foreign exchange losses except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalized interest cost is the actual interest rate when there is a specific borrowing facility related to construction project or the Group's average borrowing interest rate. Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2.12 Foreign currency

2.12.1 Functional and presentation currency

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

These consolidated and separate financial statements are presented in the Nigerian Naira (LC), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest million unless where otherwise stated.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.12.2 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 retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- 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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- 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 disposal of the subsidiaries.

2.12.3 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira 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 recognized in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Currency translation differences". 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 or loss.

2.13 Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated 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 to do so.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. 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.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

2.13.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognized within “Cost of sales” and “Administrative expenses and selling and distribution expenses,” depending on the utilization of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Useful life (years)
Leasehold land improvement	Over the lease period
Buildings	25 – 50
Plant and machinery	10 - 25
Power plants	5 – 25
Cement plants	5 – 25
Motor vehicles	4 – 6
Computer hardware	3
Furniture and equipment	5
Aircraft and related components	5 – 25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.14 Intangible assets

In accordance with criteria set out in IAS 38 – “Intangible assets”, intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives ranging from two to seven years. Amortization expense is recorded in “Cost of sales” and “Selling and distribution expenses” or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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 meets the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 amortised over a period of 30 years in line with the estimates lives of the mines

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.14.1 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.2 Derecognition of intangible assets

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.

2.15 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Group expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw Materials

Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

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 a weighted average cost basis.

Finished goods

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 utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.17 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating, investing and financing activities. The Group applies the indirect method for the preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest income is included in investing activities.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.18.1 Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

The Group does not have debt instruments that are measured subsequently at fair value through other comprehensive income (FVTOCI).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

2.18.2 Derecognition of financial assets

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group 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.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.19 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. 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. Term deposit with tenor of 90 days or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes.

2.20 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

2.21 Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item (note 10) in profit or loss.

2.22 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.22.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. Equity instruments includes share capital, share premium, currency translation reserve and capital contribution.

2.22.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.24 Impairment

2.24.1 Financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
 - information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).
- Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

2.24.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

(iv) Write-off policy

The Group writes off a financial asset 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 in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(v) Measurement and recognition of expected credit losses

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. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the Profit or loss.

2.25 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes: If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The Group only has assets measured on re-curring basis in each reporting period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.25.1 Derivative financial assets and liabilities fair value

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

2.26.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.27 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The total of the government grant is recognised as deferred revenue on the statement of financial position and is recognised in profit or loss over the period the related expenditure is incurred.

Export Expansion Grant (EEG) is recognised upon confirmation of the Group's eligibility by the relevant government departments.

2.28 Employee benefits

2.28.1 Short term employee benefits

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

2.28.2 Defined contribution plans

The Group operates a defined contribution retirement benefit scheme for its employees. 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. The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. 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.

2.28.3 Defined benefit plans

The group operates defined benefit plans for certain qualifying employees. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by using actuarial methods of projected unit credit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.4 Other long-term employee benefits (Long service award)

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

2.28.5 Termination benefit

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. Benefits are expected to be settled wholly within 12 months of the reporting date.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.29 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

2.29.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognizes 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.

The Group has an obligation to restore all quarry sites due to the mining activities in those areas. The provision for the site restoration is determined based on the disturbed areas and is measured at the present value of the expected future cash flows that will be required to perform the site restoration. The estimated future costs for known restoration requirements are determined on a site-by-site basis. The cash flows are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, timing of future cash flows, or in the discount rate applied, are accounted for in the profit or loss at each statement of financial position date.

2.30 Contingencies

Contingent liabilities are not recognized in the consolidated and separate statements of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2.31 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. The Group does not have any dilutive instruments.

2.32 Leases

Leases – as a lessee

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). 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 assets are consumed.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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 lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements 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 the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset)

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. 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. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Leases – as a 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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

- a) 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;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group did not get any rent concession as a direct result of Covid-19.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2021.

This amendment did not have any impact on the Group's Financial Statements because there was no acquisition.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

This amendment did not have any impact on the Group's Financial Statements.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical accounting judgements

4.1.1

PROVIDE DETAILS OF YOUR CRITICAL ACCOUNTING JUDGEMENTS.

4.1.2

4.2 Key sources of estimation uncertainty

4.2.1

PROVIDE DETAILS OF YOUR KEY SOURCES OF ESTIMATION UNCERTAINTY

4.2.2

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9 Revenue

9.1 Volumes

Cement production and bagging capacity(for the year)

Production volume*

Trade cement purchase*

Decrease/(increase) in stocks**

Sales volume*

* includes both cement and clinker volumes

** Decrease/(increase) in stocks refers to the difference between the opening and closing stocks

An analysis of revenue in Local Currency is as follows:

9.2 Revenue from contracts with customers

Revenue from sales of cement and clinker (Non DC entities

Revenue from sales of other products

Revenue from entities within Dangote Cement(DC) group

	Company	
	2024 '000 tonnes	2023 '000 tonnes
Cement production and bagging capacity(for the year)	3,000	3,000
Production volume*	1,755	1,755
Trade cement purchase*	-	-
Decrease/(increase) in stocks**	-	-
Sales volume*	1,755	1,755

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Revenue from sales of cement and clinker (Non DC entities	436,887,634	462,807,037
Revenue from sales of other products		
Revenue from entities within Dangote Cement(DC) group		
	436,887,634	462,807,037

Revenue after adjusting intra-group sales as shown above are from external customers

9.3 Information about major customers

included in revenue arising from direct sales of cement of LC million (2020: LC million) is revenue of approximately LC million (2020: LC million) which arose from sales to the Company's largest customer

..... customer contributed 10% or more to the Group's/Company's revenue for 2021

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5.4 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by domestic sales and export sales as shown below

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Domestic sales	407,461,043	425,720,543
Export sales	29,426,591	37,086,494
	436,887,634	462,807,037

10. Production cost of sales

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Material consumed	37,180,906	41,085,306
Fuel & power consumed	90,166,559	90,839,225
Royalty*	1,585,023	1,704,227
Salaries and related staff costs	22,119,918	21,971,518
Retirement benefit contributions	2,098,232	1,908,302
Depreciation & amortization	47,299,298	47,528,501
Plant maintenance	25,767,979	24,294,420
Other production expenses	31,047,993	17,398,136
Increase/Decrease in finished goods and work in progress	4,503,287	(6,038)
	261,769,195	246,723,597

* Royalty payable is charged based on volume of extraction made during the year.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Full time employees remunerated at higher rate excluding allowances:

₦	₦
Up to	250,000
250,001 -	500,000
500,001 -	750,000
750,001 -	1,000,000
1,000,001 -	1,250,000
1,250,001 -	1,500,000
1,500,001 -	2,000,000
2,000,001 and above	

The amounts above are in naira, Kindly convert to your local currency using appropriate closing rate for your analysis

The average number of full time employees employed during the year excluding Directors was as follows:

Management
Non-management

2024 Number	2023 Number	2024 Number	2023 Number
		4	6
		44	54
		87	26
		80	101
		34	54
		19	20
		40	40
		77	133
-	-	385	434
		37	87
		348	347
-	-	385	434

Chairman's and Directors' remuneration

Directors' remuneration comprises:

Emoluments

Chairman

Highest paid Director

Group		Company	
Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
-	-	24,688	31,878
-	-	24,688	31,878
-	-		
-	-		

Number of Directors whose emoluments were within the following ranges:

₦	₦
1 -	20,000,000
Above	20,000,000

The amounts above are in naira, Kindly convert to your local currency using appropriate closing rate for your analysis

2024 Number	2023 Number	2024 Number	2023 Number
-	-	-	-
-	-	-	-
-	-	-	-

11. Selling and distribution expenses

Haulage expenses
Depreciation
Salaries and related staff costs
Retirement benefit contributions

Group		Company	
Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
		134,573,976	144,607,654
		5,350,416	6,181,342
		8,836,319	9,201,126
		571,079	622,195

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Advertisement and promotion
Others

		1,500	2,000
		6,563,850	4,960,392
		155,897,140	165,574,709

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Administrative expenses

	Group		Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Salaries and related staff costs			7,418,027	7,351,921
Retirement benefit contributions			1,011,859	1,107,077
Corporate social responsibility			381,703	337,612
Depreciation and amortisation			2,394,075	2,338,384
Auditors' remuneration			184,463	258,717
Rent, rate and insurance*			3,808,350	4,597,606
Travel expenses			2,114,502	2,440,221
Repairs and maintenance			1,571,673	2,118,979
Bank charges			178,227	288,036
Professional and consultancy fees			3,304,327	1,104,993
General administrative expenses			2,847,102	3,577,413
Security expenses			2,833,536	2,893,460
Alternative minimum tax			2,258,668	2,343,794
Others			588,287	585,881
	-	-	30,894,800	31,344,095

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Dangote Cement Plc. It is an apportionment of DIL shared-service cost to DCP plus mark-up.

(b) Auditors' remuneration is detailed in the table below:

	Group		Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Audit fees			184,463	258,717
Non audit fees:				
Limited review of quarterly financial statements*				
Technical support services				
Regulatory compliance and advisory services				
	-	-	184,463	258,717

* This was paid to the external auditor, KPMG.

Other employee related disclosures

Aggregate payroll costs:	Group		Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Wages, salaries and staff welfare		-	38,374,264	34,886,990
Pension costs		-	3,681,170	3,637,574
Employee benefits obligation	-	-	-	-
	-	-	42,055,434	38,524,564

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Finance income and finance costs

	Group	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
14.1 Finance income:		
Interest income(Non DC entities)		
Interest income generated from entities within Dangote Cement(DC) group	-	-
Others - foreign exchange gain		
Others - foreign exchange gain on loans/payable to parent company		
	-	-
14.2 Finance costs:		
Interest expenses(Non DC entities)		
Interest expenses from entities within Dangote Cement(DC) group		
Less: amounts included in the cost of qualifying assets (Note 15)		
	-	-
Foreign exchange loss	-	-
Foreign exchange loss on loans/payable to parent company		
Other finance costs		
	-	-

As per Statutory Financial Statements Finance costs:

Interest Expense - Borrowings
Interest Expense - Lease
Other Finance Charges
Net Exchange/(Gain)
Interest Received

* The average effective interest rate on funds borrowed generally is 8% Company. (2020: 8 % per annum for Company)

All interest income and interest costs are from financial instrument measured at amortised cost.

Other finance costs represent unwinding of discount from provision for site restoration.

13. Other income

	Group	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Insurance claims		
Government grant		
Reversal of provisions/credits no longer required		
Sale of scrap		
Disposal of property,plant and equipment		
Other miscellaneous income		
Income generated from entities within Dangote Cement(DC) Group		
	-	-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Company	
Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
-	-
-	-
(86,516,483)	-
-	-
(86,516,483)	-
9,847,770	13,182,922
165,142,189	159,007,971
-	-
174,989,959	172,190,893
-	152,629,297
684,469	483,186
175,674,428	325,303,377

Company	
Year ended 31/12/24	Year ended 31/12/23
146,640,264	162,393,925
2,885,246	2,885,246
26,148,918	7,394,909
(86,516,483)	152,629,297
-	-
89,157,945	325,303,377

i).

Company	
Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
1,086,460	544,833
-	-
-	-
-	-
2,306,289	-
-	-
3,392,749	544,833

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15 Profit before tax

Profit before tax includes the following charges:

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Depreciation of property, plant and equipment and right of use	55,043,789	54,902,926
Amortisation of intangible assets	-	-
Auditors' remuneration	184,463	258,717
Employee benefits expenses	42,055,434	38,524,564
Loss on disposal of property, plant and equipment	-	-
Lease rental expenses	-	-
Directors emoluments	184,463	258,717
Write off of non financial assets	-	-
Foreign exchange gain/(loss)	(86,516,483)	152,629,297
Management service fee	-	-

15.1 Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Profit for the year attributable to owners of the Company	(97,438,697)	(306,162,819)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share		
Basic & diluted earnings per share (Naira)	#DIV/0!	#DIV/0!

15. Income taxes

15.2 Income tax expense recognised in profit or loss

	Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Current tax		
Current year	-	(568,911)
Changes in estimates related to prior year	-	(568,911)
Deferred tax		
Origination and reversal of temporary differences		
Previously unrecognised temporary difference relating to prior year	-	-
Total income tax expense recognised in the current year	-	(568,911)

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Profit before tax	-	0	(97,438,697)	(305,593,908)
Income tax expense calculated at% (2020%)	-		29,231,609	91,678,172
Education Tax				
Effect of tax holiday and income that is exempt from taxation				
Effect of expenses that are not deductible in determining taxable profit			(21,562,974)	(21,562,974)
Effect of previously recognised temporary difference now derecognised as deferred tax assets.				
Effect of deferred tax not recognised on net investment exchange gains				
Effect of prior year over provision				
Effect of Investment Allowance				
Effect of income taxed at different rates				
Effect of Commencement rule				
Effect of unused tax losses and offsets not recognised as deferred tax assets				
Effect of different tax rates of subsidiaries operating in other jurisdictions				
Other - Deferred tax movement not recognized			-	234,512,575
Income tax expense recognised in profit or loss	-	-	7,668,635	304,627,774

The income tax rate of% was used for the company income tax computation as established by the tax legislation.

14.2 Current tax assets

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Balance at beginning of the year	-		34,164	34,164
Charge for the year			-	
Payments during the year			-	
Road infrastructure tax credit	-			
Tax credit utilised to offset current tax payable	-			
Effect of currency exchange difference				-
Balance at the end of the year	-	-	34,164	34,164

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15.3 Current tax liabilities

	Group		Company	
	31/12/24	31/12/23	31/12/24	31/12/23
	TZS'000	TZS'000	TZS'000	TZS'000
Balance at beginning of the year	-	-	-	295,688
Charge for the year	-	-	-	568,911
Payments during the year	-	-	-	(864,599)
Withholding tax credit and grant utilized	-	-	-	-
Tax credit utilised to offset current tax liabilities	-	-	-	-
Effect of currency exchange difference	-	-	-	-
Balance at the end of the year	-	-	-	-

15.4 Deferred tax balance

	Group		Company	
	31/12/24	31/12/23	31/12/24	31/12/23
	TZS'000	TZS'000	TZS'000	TZS'000
Deferred tax assets	-	-	-	-
Deferred tax liabilities	-	-	-	-
Net deferred tax assets/(liabilities)	-	-	-	-

Group

2024	Opening balance	Recognised in profit or loss	Effect of currency translation	Net closing balance	Deferred tax assets
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Deferred tax assets /(liabilities) in relation to:					
Property, plant & equipment	-	-	-	-	-
Unrealised exchange gains	-	-	-	-	-
Employee benefits	-	-	-	-	-
Provision	-	-	-	-	-
Tax losses	-	-	-	-	-
Right of use assets	-	-	-	-	-
Deferred tax (liabilities)/assets before set-off	-	-	-	-	-
Set-off of tax	-	-	-	-	-
Net tax assets/liabilities	-	-	-	-	-

2023	Opening balance	Recognised in profit or loss	Effect of currency translation	Net closing balance	Deferred tax assets
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000

Deferred tax assets /(liabilities) in relation to:

Property, plant & equipment	-	-	-	-	-
Unrealised exchange gains	-	-	-	-	-
Employee benefits	-	-	-	-	-
Provision	-	-	-	-	-
Tax losses	-	-	-	-	-
Right of use assets	-	-	-	-	-
Deferred tax (liabilities)/assets before set-off	-	-	-	-	-

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Set-off of tax

Net tax assets/liabilities

	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Company

2024	Net opening balance TZS'000	Recognised in profit or loss TZS'000	Net closing balance TZS'000
Deferred tax liabilities in relation to:			
Property, plant & equipment	-		-
Unrealised exchange gains	-		-
Employee benefits obligations	-		-
Provision	-		-
Right of use assets	-		-
	-	-	-
	-	-	-
2023	Net opening balance TZS'000	Recognised in profit or loss TZS'000	Net closing balance TZS'000
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment			-
Unrealised exchange gains			-
Employee benefits obligations			-
Provision			-
Right of use assets			-
	-	-	-
	-	-	-

Tax authorities in various jurisdictions where the Group operates in, reserve the right to audit the tax charges for the financial year ended 31 December 2021 and prior years. In cases where tax audits have been carried out and additional charges levied, the Group has responded to tax authorities challenging the technical merits and made a provision it considers appropriate in line with the technical merits of issues raised by the authorities.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are as follows:

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Tax losses				
Unused tax credits				
Deductible temporary differences				
	-	-	-	-

The unrecognised tax credits will expire as follows:

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Year 1			-	-
Year 2			-	-
Year 3			-	-
Year 4			-	-
Year 5			-	-
After Year 5			-	-
No expiry date			-	-
	-	-	-	-

Deferred tax liability amounting to LC million (2020: LC million) for both Group and Company was not recognised in this financial statements. This relates to exchange on inter-company loans classified as part of the net investment in subsidiaries.

14.5 Uncertainty over income tax treatment

The Group/Company has the following uncertain income tax treatment... (Please give details)

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Property, plant and equipment

16.2 The Company

	Leasehold improvements and buildings TZS'000	Plant and machinery TZS'000	Motor vehicles TZS'000	Furniture & equipment TZS'000	Capital work-in-progress TZS'000	Total TZS'000
Cost						
At 1 January 2023	224,421,891	532,433,426	76,536,480	28,358,660	333,840,520	1,195,590,977
Additions	2,875,890	13,076,279	1,054,294	5,137,166	4,239,408	26,383,037
Transfers (Note 15.2.1)	301,613	298,888,989	453,767	563,583	(300,207,952)	-
Balance at 31 December 2023	227,599,394	844,398,694	78,044,541	34,059,409	37,871,976	1,221,974,014
Additions	557,148	1,141,685	246,045	4,555,813	2,153,413	8,654,104
Transfers (Note 15.2.1)	188,870	1,609,201	564,625	152,192	(2,514,888)	(0)
Balance at 31 December 2024	228,345,412	847,149,580	78,855,211	38,767,414	37,510,501	1,230,628,118
Accumulated depreciation & impairment						
Balance at 1 January 2023	63,238,515	194,109,543	56,614,258	12,412,075	-	326,374,391
Depreciation expense	8,985,688	35,560,882	8,792,367	2,114,742	-	55,453,679
Impairment	-	-	-	-	210,468	210,468
Balance at 31 December 2023	72,224,203	229,670,425	65,406,625	14,526,817	210,468	382,038,538
At 1 January 2024	72,224,203	229,670,425	65,406,625	14,526,817	210,468	382,038,538
Depreciation expense	9,144,497	34,809,376	7,998,260	2,543,322	-	54,495,455
Impairment	-	-	234,945	-	-	234,945
Balance at 31 December 2024	81,368,700	264,479,801	73,639,830	17,070,139	210,468	436,768,938
Carrying amounts:						
At 1 January 2023	161,183,376	338,323,883	19,922,222	15,946,585	333,840,520	869,216,586
At 31 December 2023	155,375,190	614,728,269	12,637,916	19,532,592	37,661,508	839,935,476
At 31 December 2024	146,976,712	582,669,779	5,215,381	21,697,275	37,300,033	793,859,180
					793,859,180	0

16.2.1 Represent assets transferred from Capital work in progress on completion

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16.2.2 During the reporting year, item of property, plant and equipment was temporarily idle.

16.2.3 (Disclose reclassification done to 2020 consolidated numbers)

16.2.4 Borrowing cost capitalised to property, plant and equipment for the company was TZS 2.8 billion (2020: TZS 12 billion) calculated at an average interest rate of 8%(2020: 8%)

16.2.5 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26)

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15.3 Capital work in progress

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings, Plant and machinery, Motor vehicles as well as Furniture and equipment during the year.

	Group		Company	
	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000	Year ended 31/12/24 TZS'000	Year ended 31/12/23 TZS'000
Closing capital work in progress is analysed as follows:				
Leasehold improvements and buildings			37,105,907	34,538,024
Plant and machinery			-	-
Motor vehicles			124,492	2,978,331
Furniture & equipment			280,101	355,622
	-	-	37,510,501	37,871,976
	-	-	(0)	-

16 Intangible assets

16.1 The Group

	Computer software LC'000	Exploration assets LC'000	Total LC'000
Cost			
At 1 January 2022	-	-	-
Additions	-	-	-
Transfers (Note 16.1.1)	-	-	-
Write off	-	-	-
Effect of foreign currency exchange rates differences	-	-	-
Balance at 31 December 2022	-	-	-
At 1 January 2023	-	-	-
Additions	-	-	-
Transfers (Note 16.1.1)	-	-	-
Write off	-	-	-
Effect of foreign currency exchange rates differences	-	-	-
Balance at 31 December 2023	-	-	-
Accumulated amortization and impairment			
At 1 January 2022	-	-	-
Amortization expense	-	-	-
Transfers (Note 16.1.1)	-	-	-
Effect of foreign currency exchange rates differences	-	-	-
Balance at 31 December 2022	-	-	-
At 1 January 2023	-	-	-
Amortization expense	-	-	-
Transfers (Note 16.1.1)	-	-	-
Impairment	-	-	-
Effect of foreign currency exchange rates differences	-	-	-
Balance at 31 December 2023	-	-	-
Carrying amounts:			
At 1 January 2022	-	-	-
At 31 December 2022	-	-	-
At 31 December 2023	-	-	-

Computer software represent software which is amortized on a straight line basis.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Exploration assets are amortized in line with the useful life of the mines.

Amortisation of intangible assets is included in note 7 and note 8.

There are no development expenditure capitalised as internally generated intangible asset.

16.1.1 PLEASE INCLUDE DETAILS FOR YOUR TRANSFERS

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16.2 The Company

	Computer software TZS'000	Total TZS'000
Cost		
At 1 January 2023	4,621	4,621
Additions	-	-
Balance at 31 December 2023	<u>4,621</u>	<u>4,621</u>
At 1 January 2024	4,621	4,621
Additions	-	-
Balance at 31 December 2024	<u>4,621</u>	<u>4,621</u>
Accumulated amortization and impairment		
At 1 January 2023	4,620	4,620
Amortization expense	-	-
Balance at 31 December 2023	<u>4,620</u>	<u>4,620</u>
At 1 January 2024	4,620	4,620
Amortization expense	-	-
Balance at 31 December 2024	<u>4,620</u>	<u>4,620</u>
Carrying amounts:		
At 1 January 2023	0	0
At 31 December 2023	<u>0</u>	<u>0</u>
At 31 December 2024	<u>0</u>	<u>0</u>

Computer software represent software which is amortized on a straight line basis.

Amortisation of intangible assets is included in note 7 and note 8.

There are no development expenditure capitalised as internally generated intangible asset.

17. Right of use assets

	Group		Company	
	Year ended 31/12/23 LC'000	Year ended 31/12/22 LC'000	Year ended 31/12/23 TZS'000	Year ended 31/12/22 TZS'000
Amounts recognised in profit or loss				
Depreciation expense on right-of-use assets	-		(555,563)	(550,754)
Interest expense on lease liabilities			#REF!	2,885,246
Expense relating to short-term leases			#REF!	2,229,918

At 31 December 2021, the Group is committed to LC million (2020: LC million) for short-term leases.

All payments for lease are fixed.

The total cash outflow for leases amount to TZS 2,885 million (2020: TZS 2,885 million)

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17.2 The Company

	Land and buildings TZS'000	Plant and machinery TZS'000	Motor vehicles TZS'000	Total TZS'000
Cost				
Balance at 1 January 2023	51,867,714	-	-	51,867,714
Additions	520,391	-	-	520,391
Balance at 31 December 2023	52,388,105	-	-	52,388,105
At 1 January 2024	52,388,105	-	-	52,388,105
Additions	-	-	-	-
Balance at 31 December 2024	52,388,105	-	-	52,388,105
Accumulated depreciation				
Balance at 1 January 2023	(2,201,234)	-	-	(2,201,234)
Depreciation expense	(550,754)	-	-	(550,754)
Balance at 31 December 2023	(2,751,988)	-	-	(2,751,988)
At 1 January 2024	(2,751,988)	-	-	(2,751,988)
Depreciation expense	(555,563)	-	-	(555,563)
Balance at 31 December 2024	(3,307,551)	-	-	(3,307,551)
Carrying amounts:				
At 1 January 2023	49,666,480	-	-	49,666,480
At 31 December 2023	49,636,117	-	-	49,636,117
Balance at 31 December 2024	49,080,554	-	-	49,080,554

The Company leases several assets including cement depots, residential apartments. The average lease term is **1 year** (2020:1 years).

Approximately of the (2020: of the) leases expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets. This resulted in additions to right-of-use assets of LC million (2020: LC million).

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. Information regarding subsidiaries and associate
18.1 Subsidiaries**

Details of the Group's subsidiaries at the end of the reporting year are as follows;

Direct subsidiaries	Principal Activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
			31/12/24	31/12/23

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DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Indirect Subsidiaries

31/12/24

31/12/23

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18.2 Investments in subsidiaries

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/23 TZS'000	31/12/23 TZS'000
Dangote Cement South Africa (Pty) Limited	-	-	-	-
Dangote Industries (Ethiopia) Plc	-	-	-	-
Dangote Cement Zambia Limited	-	-	-	-
Dangote Cement Senegal S.A	-	-	-	-
Dangote Cement Cameroun S.A	-	-	-	-
Dangote Cement Ghana Limited	-	-	-	-
Dangote Mines Limited, Tanzania	-	-	-	-
Dangote Cement Congo S.A	-	-	-	-
Dangote Cement (Sierra Leone) Limited	-	-	-	-
Dangote Cement Cote D'Ivoire S.A	-	-	-	-
Dangote Industries Gabon S.A	-	-	-	-
Dangote Cement Burkina faso SA	-	-	-	-
Dangote Cement Chad SA	-	-	-	-
Dangote Cement Mali SA	-	-	-	-
Dangote Cement Niger SARL	-	-	-	-
Dangote Industries Benin S.A.	-	-	-	-
Dangote Cement Togo S.A.	-	-	-	-
Dangote Takoradi Cement Production Limited	-	-	-	-
Dangote Cement Madagascar Limited	-	-	-	-
Dangote Cement Congo D.R. S.A	-	-	-	-
Itori Cement Plc.	-	-	-	-
Okpella Cement Plc.	-	-	-	-
DCP Cement Limited	-	-	-	-
Dangote Ceramics Limited	-	-	-	-
Dangote Mining Niger S.A	-	-	-	-
Dangote Cement - Liberia Ltd.	-	-	-	-
Dangote Cement Kenya Limited	-	-	-	-
Dangote Quarries Kenya Limited	-	-	-	-
Dangote Quarries Mozambique Limitada	-	-	-	-
Dangote Cement Nepal Pvt. Ltd.	-	-	-	-
Dangote Zimbabwe Holdings (Private) Limited	-	-	-	-
Dangote Cement Zimbabwe (Private) Limited	-	-	-	-
Dangote Energy Zimbabwe (Private) Limited	-	-	-	-
Dangote Mining Zimbabwe (Private) Limited	-	-	-	-
Dangote Cement Guinea SA	-	-	-	-
Cimenterie Obajana Sprl- D.R. Congo	-	-	-	-
Dangote Cement Yaounde	-	-	-	-
Dangote Cement Limited, Tanzania	-	-	-	-
Dangote Contracting Services Limited, Tanzania	-	-	-	-
	-	-	-	-

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Coal production



DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Principal activity	Place of incorporation and operation	Number of non-wholly-owned subsidiaries	
		31/12/24	31/12/23
Cement production			
Cement production			
Cement production			
Cement Grinding			
Manufacturing of ceramics products			

18.5 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		31/12/24	31/12/23	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
				-	-		

18.6 Change in the Group's ownership interest in a subsidiary

Please give details of change

18.7 Significant restrictions

Please give details of restrictions

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Prepayments

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
20.1 Non-current				
Advance to contractors			-	-
Prepayment for road infrastructure tax credit			-	-
Total non-current prepayments	-	-	-	-
20.2 Prepayments and other current assets				
Advance to contractors				-
Advance payment to suppliers			14,435,461	14,013,200
Rent, rates and insurance			603,592	1,408,183
Deposit with TRA			9,438,863	7,158,563
Total current prepayments and other assets	-	-	24,477,916	22,579,946
Due from related parties - current (Note 31)				
Parent company			-	-
Loans to parent company			-	-
Entities controlled by the parent company			772,718	772,718
Affiliates and associates of parent company			-	-
Entities within Dangote Cement Group	-	-	-	-
Total current receivables from related parties	-	-	772,718	772,718
Prepayments and other current assets	-	-	25,250,634	23,352,664

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of AGO, coal and other materials which were not received at the year end.

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
19 Inventories				
Finished product			7,971,034	7,289,761
Work-in-progress			2,574,483	8,410,595
Raw materials			6,664,686	8,238,144
Packaging materials			2,387,979	2,365,211
Spare parts			30,198,547	28,806,830
Consumables			7,686,906	9,591,963
Fuel			17,624,477	17,931,873
Goods in transit			186,915	212,450
Less: Provision for inventories			(22,707,228)	(23,705,928)
	-	-	52,587,798	59,140,900

The cost of inventories recognised as an expense during the year was TZS 23 billion (2023: TZS 24 billion) in the separate financial statements.

The amount recognised as inventories obsolescence during the year was TZS NIL (2023: TZS NIL) for Company.

The amount recognised as inventories write back during the year was TZS NIL (2023: TZS NIL) for Company.

Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26)

DANGOTE CEMENT TANZANIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

20 Trade and other receivables

	Company	
	31/12/24 TZS'000	31/12/23 TZS'000
Trade Debtor	2,916,958	1,010,113
Advance to contractors	14,435,461	14,013,200
Staff Advances	306,322	406,052
Prepaid rent and insurance	603,592	1,408,182
Deposits with TRA	9,438,863	7,158,563
Other receivables	900,103	2,883
Other receivables	28,601,299	23,998,993

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21. Trade and other receivables	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Trade receivables			-	1,010,113
Impairment allowance on trade receivables			-	
	-	-	-	1,010,113
Staff loans and advances			-	406,052
Value added tax receivables			-	-
Receivables from registrar			-	-
Other receivables			-	-
Total trade and other receivables	-	-	-	1,416,165

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements, LC million (2020: LC million) represents the biggest trade receivable balance due from a single customer at both the Group and Company level. There are no customers who represent more than 10% of the total balance of trade receivables of the Group after impairment.

The Group always 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.

Movement in impairment loss allowance of LC million (2020: LC million) relates to additional provision made during the year for the Group and LC million (2020: LC million) relates to reversal of provision for the Company.

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.

31/12/24	Group					Total TZS'000
	Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000	
Expected credit loss rate (%)						-
Estimated total gross carrying amount at default						-
Lifetime ECL	-	-	-	-	-	-
31/12/23	Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000	Total TZS'000
Expected credit loss rate (%)						-
Estimated total gross carrying amount at default						-
Lifetime ECL	-	-	-	-	-	-
31/12/24	Company					Total TZS'000
Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000		
Expected credit loss rate (%)						-
Estimated total gross carrying amount at default						-
Lifetime ECL	-	-	-	-	-	-
31/12/23	Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000	Total TZS'000
Expected credit loss rate (%)						-
Estimated total gross carrying amount at default						-

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Lifetime ECL

-	-	-	-	-	-
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DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22 Lease receivables

Leasing arrangements

Amounts receivable under finance leases:

	Group & Company			
	Minimum lease payments		Present value of minimum Lease payment	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				
	-	-	-	-
Less: unearned finance income			-	-
Present value of minimum lease payments receivable	-	-	-	-
Allowance for uncollectible lease payments	-	-	-	-
Net investment in the lease	-	-	-	-
Analysed as follows:				
Recoverable within 12 months	-	-	-	-
Recoverable after 12 months	-	-	-	-

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 **is** years (2020: years).

During the year, the Group recognised interest income on lease receivables of LC million (2020: LC million).

Unguaranteed residual values of assets leased under finance leases at the end of the reporting year are estimated at nil.

The average effective interest rate implicit in the contracts is **is** % (2020: %) per annum.

The Directors of the Company 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 historical default experience and the future prospects of the industries in which the leasees operate, together with the value of collateral held over these finance lease receivables, the directors consider that no finance lease receivables is impaired.

The table below shows the aged analysis of the finance lease receivables.

31/12/24	Group & Company					
	Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000	Total TZS'000
Estimated total gross carrying amount at default	-					-
31/12/23	Company					
	Not past due TZS'000	<30 TZS'000	31-60 TZS'000	61-90 TZS'000	>90 TZS'000	Total TZS'000
Estimated total gross carrying amount at default						-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group/Company	
	31/12/24 TZS'000	31/12/23 TZS'000
23. Share capital		
<i>Issued and fully paid</i>		
Share capital (100,000,000 (2020: 100,000,000) ordinary shares of TZS 1,000 each)	100,000,000	100,000,000
Share premium	-	-

23.2 Authorised share capital as at reporting dates represents 100,000,000 units of ordinary shares of TZS 1,000 each.

Fully paid ordinary shares carry one vote per fully paid up share and a right to dividends when declared and approved.

23.3 Treasury shares

On the 31 December 2021, the Company embarked on a share buy-back programme, buying back units of its shares at a total cost of LC9.8 million which included the par value of the shares and additional premium paid on it. At 31 December 2021, the Company held (2020:) of its own shares.

24 Dividend

On 2022, a dividend of LC .00. per share was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2020 financial year.

In respect of the current year, the Directors proposed a dividend of LC .00 per share(2020: LC16.00). This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

25 Trade and other payables

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Trade payables			71,156,725	75,434,941
Payable to contractors			-	-
Value added tax			1,979,266	650,943
Withholding tax payable			111,741,906	95,238,419
Staff pension (Note 29.1)			-	-
Advances from customers			14,197,848	7,077,970
Dividend payables			-	-
Suppliers' credit			-	-
Provision for litigations and tax assessments			-	-
Accruals			40,255,961	41,031,627
Total trade and other payables	-	-	239,331,706	219,433,900

The average credit period on purchases of goods is 30 days (2020: 30 days). Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

26 Financial liabilities	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Unsecured borrowings at amortised cost				
Loans from Dangote Cement Plc	-	-	2,135,842,180	2,078,242,656
Bulk Commodities loans			96,961,042	95,385,325
Loan from Dangote Industries Zambia			74,713,679	72,810,877
Bond (Note 26.1)			-	-
Commercial papers (Note 26.3)			-	-
Bank loans			-	-
	-	-	2,307,516,901	2,246,438,858
Secured borrowings at amortised cost				
Power intervention loan (Note 26.2)				
Bank loans			35,635,017	74,253,267
	-	-	35,635,017	74,253,267

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Total borrowings	-	-	2,343,151,918	2,320,692,125
Long-term portion of loans and borrowings			-	9,235,416
Current portion repayable in one year and shown under current liabilities	-	-	2,307,059,608	2,279,481,612
Overdraft balances				-
Short-term portion of loans and borrowings	-	-	2,307,059,608	2,279,481,612
Interest payable			36,092,310	31,975,097
Financial liabilities (short term)	-	-	2,343,151,918	2,311,456,709

DANGOTE CEMENT TANZANIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

25 Trade and other payables

	Company	
	31/12/24 TZS'000	31/12/23 TZS'000
Trade payables	71,156,725	75,276,859
Advances from customers	14,197,848	7,077,970
Withholding tax payable	111,741,906	95,238,419
Other accruals and payables	40,255,961	41,031,627
Due to related parties	4,765,304	4,555,992
Value added tax	1,979,266	650,943
Defined contribution plan (Note 29.1)	-	-
Suppliers' credit	-	-
Total trade and other payables	244,097,010	223,831,810

The average credit period on purchases of goods is 30 days (2019: 30 days). Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Loans	Currency	Nominal interest rate	Maturity	Company	
				31/12/24 TZS'000	31/12/23 TZS'000
Loan from Bulk Commodities Inc.				96,961,042	95,385,325
Loans from Dangote Oil & Gas					
Power intervention loan					
Commercial paper					
Bond					
Short term loans from Banks				35,635,017	74,253,267
Others_ list with details					
Loans from Dangote Cement Plc				2,135,842,180	2,078,242,656
Loan from Dangote Industries Zambia				74,713,679	72,810,877
Total borrowings at 31 December				2,343,151,918	2,320,692,125

The maturity profiles of borrowings are as follows:

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Due within one month			25,733,647	25,733,647
Due from one to three months			9,129,350	9,129,350
Due from three to twelve months			39,390,269	39,390,269
Total current portion repayable in one year	-	-	74,253,267	74,253,267
Due in the second year			131,345,009	131,345,009
Due in the third year			35,215,019	35,215,019
Due in the fourth year			67,249,364	67,249,364
Due in the fifth year and further			2,015,213,334	2,015,213,334
Total long-term portion of loans and borrowings	-	-	2,249,022,727	2,249,022,727
Total	-	-	2,323,275,993	2,323,275,993

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and Company's consolidated and separate statement of cash flows as cash flows from financing activities.

	Group				
	31/12/23	Financing Cashflows	Exchange (gains)/ losses	Others	31/12/24
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Bulk Commodities loans	-				-
Loans from Dangote Oil & Gas	-				-
Power intervention loan	-				-
Commercial papers	-				-
Bond	-				-
Bank loans	-				-
	-	-	-	-	-

	Company				
	31/12/23	Financing Cashflows	Exchange (gains)/ losses	Others	31/12/24
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Dangote Cement Plc	1,784,528,399	99,357,289	25,237,839		1,909,123,527
Dangote Industries Zambia	59,797,519	3,807,969	851,951		64,457,439
Bulk Commodities loans	78,227,006	4,753,032	1,069,820		84,049,858
Loans from Dangote Oil & Gas	-				-
Power intervention loan	-				-
Commercial papers	-				-
Bond	-				-
Bank loans	131,554,176	(41,618,157)			89,936,020
	2,054,107,100	66,300,134	27,159,610	-	2,147,566,843

	Group				
	31/12/23	Financing Cashflows	Exchange (gains)/ losses	Others	31/12/24
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Loans from Dangote Industries Limited					-
Bulk Commodities loans					-
Loans from Dangote Oil & Gas					-
Power intervention loan					-
Commercial papers					-
Bond					-
Bank loans					-
	-	-	-	-	-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	31/12/22	Financing Cashflows	Company Exchange (gains)/ losses	Others	31/12/23
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Dangote Cement Plc	1,547,609,119	154,726,410	14,173,481		1,716,509,010
Dangote Industries Zambia	52,136,722	3,838,453	477,484		56,452,659
Bulk Commodities loans	68,782,526	4,705,133	636,317		74,123,976
Loans from Dangote Oil & Gas					-
Power intervention loan					-
Commercial papers					-
Bond					-
Bank loans	191,603,778	(24,490,550)	1,754,766		168,867,995
	1,860,132,145	138,779,446	17,042,049	-	2,015,953,640

27 Deferred Revenue and other current liabilities

27.1 Deferred Revenue	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Deferred revenue arising from government grant (refer to (a) below)	-	-	-	-
Current (Note 27.2)	-	-	-	-
Non-current	-	-	-	-

a) The deferred revenue mainly arises as a result of the benefits received from government. The income recognised in current year was recorded in other income line.

Movement in Deferred revenue

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
At 1 January	-	-	-	-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Additions during the year	-	-	-	-
Released to profit and loss account (Other income)	-	-	-	-
Effect of foreign exchange differences	-	-	-	-
Closing balance	-	-	-	-
27.2 Other current liabilities				
Current portion of deferred revenue (Note 27.1)	-	-	-	-
Due to related parties - current (Note31)				
Parent company	-	-	3,524,460	3,226,956
Entities controlled by the parent company	-	-	1,240,844	1,329,036
Affiliates and associates of parent company	-	-	-	-
Entities within Dangote Cement Group	-	-	-	-
Total current payables to related parties	-	-	4,765,304	4,555,992
Other current liabilities	-	-	4,765,304	4,555,992

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

28 Provisions

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Site restoration cost	-	-	257,941	226,588
	-	-	257,941	226,588

	Group			Company		
	31/12/24			31/12/23		
	Restoration TZS'000	Others TZS'000	Total TZS'000	Restoration TZS'000	Others TZS'000	Total TZS'000
Balance at beginning of the year	-	-	-	-	-	-
Effect of foreign exchange differences	-	-	-	-	-	-
Provisions made during the year	-	-	-	-	-	-
Transfer from short term	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-

	Company			Company		
	31/12/24			31/12/23		
	Restoration TZS'000	Plant Dismantling TZS'000	Total TZS'000	Restoration TZS'000	Plant Dismantling TZS'000	Total TZS'000
Balance at beginning of the year	226,588	-	226,588	196,439	-	196,439
Provisions made during the year	13,836	-	13,836	12,632	-	12,632
Unwinding of discount	17,517	-	17,517	17,517	-	17,517
Balance at the end of the year	257,941	-	257,941	226,588	-	226,588

The Group's obligations are to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment when the Group has a legal or constructive obligation to do so. The expenditure is expected to be utilised at the end of the useful lives of the mines.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on reclamation closure expert valuation and management's re-assessment. It is expected that the restoration cost will happen over a period of time for the Group and Company. The long term inflation and discount rates used in the estimate for Nigerian entities were % and %.

29 Employee benefits

29.1 Defined contribution plans	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Balance at beginning of the year	-		362,996	230,480
Provision for the year			3,346,491	3,346,491
Payments during the year			(3,213,974)	(3,213,974)
Balance at the end of the year	-	-	495,513	362,996

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

29.2 Employee benefit obligations

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 as at The present value of the defined benefit obligation, and the related current service cost and past 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.

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

	Company	
	31-12-24 %	31-12-23 %
Discount rate(s)		
Expected rate(s) of salary increase		
Inflation rate		

Movements in the present value of the defined benefit obligation are as follows:

	Group		Company	
	31-12-24 TZS'000	31-12-23 TZS'000	31-12-24 TZS'000	31-12-23 TZS'000
At 1 January	-	-	-	-
Current service cost				
Interest cost				
Remeasurement loss/gain				
Actuarial loss/(gain)				
Curtailement				
Benefits paid				
At 31 December	-	-	-	-

The actual return on plan assets in 2021 was nil (2020: nil)

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	Group		Company	
	31-12-24 TZS'000	31-12-23 TZS'000	31-12-24 TZS'000	31-12-23 TZS'000
Current service cost	-	-	-	-
Net Interest expense	-	-	-	-
Curtailment credit	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The amount included in the consolidated and separate statements of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.

	Group		Company	
	31-12-24 TZS'000	31-12-23 TZS'000	31-12-24 TZS'000	31-12-23 TZS'000
Present value of defined benefit obligations	-	-	-	-
Net liability arising from defined benefit obligation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation at 31 December 2021 would decrease by LC million (increase by LC million) (2020: decrease by LC million (increase by LC million)).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation as at 31 December 2021 would increase by LC million (decrease by LC million) (2020: increase by LC million (decrease by LC million)).
- If the assumed mortality age is rated up (down) by one year, the defined benefit obligation as at 31 December 2021 would increase by LC million (decrease by LC million) (2020: increase by LC million (decrease by LC million)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

30. Financial Instruments

30.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 26 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below).

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Net debt	-	-	2,320,961,840	2,292,402,350
Equity	<u>-</u>	<u>-</u>	<u>(1,656,974,270)</u>	<u>(1,559,535,574)</u>

The Finance committee reviews the capital structure of the Group on a quarterly 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 debt to equity ratio which provides benefits of trading on equity without exposing the Group to any undue long term liquidity risk. The Group 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 net debt to equity ratio as on 31 December 2021 is % (2020: %).

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

30.1.1 Debt to equity ratio

The debt to equity ratio at end of the reporting year was as follows.

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Financial liabilities (Note 26)	-	-	2,054,107,100	2,320,692,125
Cash and cash equivalents (Note 32.1)	-	-	38,246,224	28,289,775
Net debt	-	-	2,015,860,876	2,292,402,350
Equity		-	(1,656,974,270)	(1,559,535,574)
Net debt/ Equity ratio	#DIV/0!	#DIV/0!	(1.22)	(1.47)

30.2 Categories of financial instruments

31/12/24	Group					
	Amortised Cost TZS'000	FVTPL TZS'000	FVTOCI TZS'000	Total Financial TZS'000	Non Financial TZS'000	Total TZS'000
Assets						
Property, plant and equipment	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-
Investment in associate	-	-	-	-	-	-
Lease receivables	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-
Prepayments for property, plant & equipment	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Prepayments and other current assets	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
	-	-	-	-	-	-
Liabilities						
Trade and other payables	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Employees benefits obligations	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

30.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2020:15%) increase and decrease in the Naira against the US Dollar, GB Pounds & Euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Effect on Profit or loss/Equity for a 15% (2020:15%) appreciation in US Dollar			223,890,226	223,890,226
Effect on Profit or loss/Equity for a 15% (2020:15%) appreciation in GB Pounds				
Effect on Profit or loss/Equity for a 15% (2020:15%) appreciation in Euro				
Total	-	-	223,890,226	223,890,226
Effect on Profit or loss/Equity for a 15% (2020:15%) depreciation in US Dollar		-	(223,890,226)	(223,890,226)
Effect on Profit or loss/Equity for a 15% (2020:15%) depreciation in GB Pounds				
Effect on Profit or loss/Equity for a 15% (2020:15%) depreciation in Euro				
	-	-	(223,890,226)	(223,890,226)

This is mainly attributable to the exposure outstanding on US dollar receivables and payables at the end of the reporting period.

30.6 Credit risk management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about LC million and these are payable within 30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the credit control group.

Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

30.6.1 Exposure to Credit risk

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades

31/12/24	Note	External credit rating	Internal rating	Group 12 months or lifetime ECL	Gross carrying amount	Allowance	Net carrying amount
					LC'000	LC'000	LC'000
Lease receivables	22	N/A	ii	Lifetime ECL	-	-	-
Trade and other receivables	21	N/A	ii	Lifetime ECL	-	-	-
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	-	-	-
Cash and cash equivalents	32.1	i	i	i	-	-	-
Total					-	-	-

31/12/23	Note	External credit rating	Internal rating	Group 12 months or lifetime ECL	Gross carrying amount	Allowance	Net carrying amount
					LC'000	LC'000	LC'000
Lease receivables	22	N/A	ii	Lifetime ECL	-	-	-
Trade and other receivables*	21	N/A	ii	Lifetime ECL	-	-	-
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	-	-	-
Cash and cash equivalents	32.1	i	i	i	-	-	-
Total					-	-	-

* Included in trade and other receivables is a portion of non financial asset now properly classified.

31/12/24	Note	External credit rating	Internal rating	Company 12 months or lifetime ECL	Gross carrying amount	Allowance	Net carrying amount
					TZS'000	TZS'000	TZS'000
Lease receivables	22	N/A	ii	Lifetime ECL	-	-	-
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	-	-	-
Trade and other receivables	21	N/A	ii	Lifetime ECL	-	-	-
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	772,718	-	772,718
Cash and cash equivalents	32.1	i	i	i	22,190,078	-	22,190,078
Total					22,962,796	-	22,962,796

31/12/23	Note	External credit rating	Internal rating	Company 12 months or lifetime ECL	Gross carrying amount	Allowance	Net carrying amount
					TZS'000	TZS'000	TZS'000
Lease receivables	22	N/A	ii	Lifetime ECL	-	-	-

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	-	-	-
Trade and other receivables	21	N/A	ii	Lifetime ECL	1,416,165	-	1,416,165
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	772,718	-	772,718
Cash and cash equivalents	32.1	i	i	i	28,289,775	-	28,289,775
Total					30,478,658	-	30,478,658

- (i) All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions with good credit rating by rating agencies
- (ii) For finance leases and trade receivables, the simplified approach to measure the loss allowance at lifetime ECL has been applied.

30.7 Liquidity risk management

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 has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

30.7.1 Liquidity maturity table

The following tables detail the Group and Company's remaining contractual maturity for its 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 and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

	Group				
	Gross carrying amount	Contractual cash flows			
		<1 month	1– 3 months	3 months – 1yr	>1 year
LC'000	LC'000	LC'000	LC'000	LC'000	
As at 31 December 2024					
Trade and other payables	-	-	-	-	-
Financial liabilities	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Derivatives	-	-	-	-	-
Total	-	-	-	-	-
	Gross carrying amount	<1 month	1– 3 months	3 months – 1yr	>1 year
	LC'000	LC'000	LC'000	LC'000	LC'000
As at 31 December 2023					
Trade and other payables	-	-	-	-	-
Financial liabilities	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Derivatives	-	-	-	-	-
Total	-	-	-	-	-
	Gross carrying amount	<1 month	1– 3 months	3 months – 1yr	>1 year
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 31 December 2024					
Trade and other payables	111,412,686	111,412,686	-	-	-
Financial liabilities	2,379,244,228	#REF!	#REF!	#REF!	#REF! ****
Other current liabilities	4,765,304	4,765,304	-	-	-
Lease liabilities	16,559,028	-	-	2,885,248	13,673,780
Derivatives	-	-	-	-	-
Total	2,511,981,246	#REF!	#REF!	#REF!	#REF!
	Gross carrying amount	<1 month	1– 3 months	3 months – 1yr	>1 year
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 31 December 2023					

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Trade and other payables	116,466,569	116,466,569	-	-	-
Financial liabilities	2,352,667,222	587,019	34,127,574	919,963,736	1,058,563,054
Other current liabilities	4,555,992	4,555,992	-	-	-
Lease liabilities	16,559,030	-	-	2,885,248	13,673,782
Derivatives	-	-	-	-	-
Total	2,490,248,813	121,609,580	34,127,574	922,848,984	1,072,236,836

The Company guaranteed all the loans in the subsidiaries amounting to LC million (2020: LC million)

30.7.2 Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long term credit facilities to reduce the risk associated with high cost of borrowing. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 100 basis points (BP) increase or decrease are used when reporting LIBOR risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates. Please refer to note 26 for interest rates of financial instruments.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised 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 sensitivity to a 1% (2020: 1%) increase or decrease in interest rates.

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Effect on Profit or loss/Equity for a 1% (2021:1%) increase in rate			(13,952,624)	(13,952,624)
Effect on Profit or loss/Equity for a 1% (2021:1%) decrease in rate			13,952,624	13,952,624

30.7.3 Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and cash equivalents 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, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

Fair value hierarchy

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 instruments 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. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Except for bond as shown in table below, the carrying amount of trade and other receivables, cash and cash equivalents, lease receivables, lease liabilities 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, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

The Group has a derivative which is categorised as level 3 financial instrument.

	Group				Company			
	31/12/24	31/12/24	31/12/23	31/12/23	31/12/24	31/12/24	31/12/23	31/12/23
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Bond	-	-				-		

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

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, finance income 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 and capital projects.

Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Parent company	-	-	-	-
Entities controlled by the parent company				
Affiliates and associates of the parent company				
Entities within Dangote Cement Group				

During the year, the Company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Parent company	-	-		307,384
Entities controlled by the parent company				-
Affiliates and associates of the parent company				167,875
Entities within Dangote Cement Group				

In addition to sales and purchases of goods, the Company charged interest amounting to LC million (2020: LC million) on loans granted to subsidiaries. This interest is eliminated on consolidation.

Also during the year, the Parent company charged the company a total interest of TZS 80.1 billion (2020: TZS 87.6 billion), being the cost of borrowing to finance capital projects and other operational expenses.

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of LC million (2020: LC million) was charged, being an allocation of costs incurred by relevant administrative departments.

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

31 Related party transactions (continued)

The following balances were outstanding at the end of the reporting year:

	Group			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Current				
Parent company	-	-	-	-
Loans to parent company	-	-	-	-
Entities controlled by the parent company	-	-	-	-
Affiliates and associates of parent company	-	-	-	-
Entities within Dangote Cement Group	-	-	-	-
	-	-	-	-

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Non Current				
Entities controlled by the Company			-	-
			-	-

The above balances represents expenditures on projects in African countries. These are not likely to be repaid within the next twelve months and have been classified under non-current assets.

In 2021, amount totalling LC million (2020: LC million) was impaired from loan receivables from subsidiaries by the Company. This has been included within provision for doubtful debt and bad debt expense for the year ended 31 December 2021.

The Group management has continued to show its intention to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 5% to 11%.

During the year, the Company provided support services to its subsidiaries of LC million (2020: LC million) for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Current				
Parent company			3,524,460	3,226,956
Loans to parent company			-	-
Entities controlled by the parent company			1,240,844	1,329,036
Affiliates and associates of the parent company			-	-
Entities within Dangote Cement Group			-	-
	-	-	4,765,304	4,555,992

31.2 Loans from related parties

	Group		Company	
	31/12/24 LC'000	31/12/23 LC'000	31/12/24 TZS'000	31/12/23 TZS'000
	Affiliates and associates of the parent company			96,961,042
Entities controlled by the parent company			74,713,679	72,810,877
Loans from parent company			2,135,842,180	2,078,242,656

DANGOTE CEMENT PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Entities within Dangote Cement Group



DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

31.3 Compensation of key management personnel

The remuneration of directors who are the members of key management personnel during the year was as follows:

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Short-term benefits				
Others (Please specify)				
	-	-	-	-

32. Supplemental cash flow disclosures

32.1 Cash and cash equivalents

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/23 TZS'000	31/12/22 TZS'000
Cash and bank balances			22,190,078	28,289,775
Short term deposits				
Cash and cash equivalents per statement of financial position	-	-	22,190,078	28,289,775
Bank overdrafts used for cash management purposes (note 26)	-	-	-	-
Cash and cash equivalents per statement of cash flows	-	-	22,190,078	28,289,775

Cash and cash equivalents include restricted cash of TZS 21.1 billion (2020: TZS 1.8 billion) on Debt service reserve account and TZS 0.2 billion (2020: TZS 0.2 billion) on court garnishee order.

245,246,066

33. Lease liabilities

	Group		Company	
	31/12/24 TZS'000	31/12/23 TZS'000	31/12/24 TZS'000	31/12/23 TZS'000
Maturity analysis				
Year 1			2,885,248	2,885,248
Year 2			2,885,248	2,885,248
Year 3			2,885,248	2,885,248
Year 4			2,885,248	2,885,248
Year 5			2,885,248	2,885,248
Later than 5 years			233,705,074	236,590,322
	-	-	248,131,314	251,016,562
Less unearned interest			(231,572,286)	(234,457,532)
	-	-	16,559,028	16,559,030
Analysed as				
Current			2,885,248	2,885,248
Non- Current			13,673,780	13,673,782
	-	-	16,559,028	16,559,030

33.1 Extension options

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Some leases include extension options that are exercisable by the Group/Company up to one (1) year before the end of the non-cancellable contract period. The extension options held are not exercisable by the lessor but only by the Group/Company. The Group/Company assesses at the commencement date of lease whether or not it is reasonably certain to exercise these options. If there is a significant event or changes in circumstances within its control, the Group/Company reassesses whether it is reasonably certain to exercise the options.

The Group/Company has estimated that the potential future lease payments would lead to increase/decrease in liability of TZS million should it exercise the extension option.

34. Commitments for expenditure

	Group		Company	
	31/12/24	31/12/23	31/12/24	31/12/23
	TZS'000	TZS'000	TZS'000	TZS'000
Commitments for the acquisition of property, plant and equipment				

DANGOTE CEMENT PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

35 Contingent liabilities

The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to TZS 18 billion for Company (2020: TZS 21 billion). The Company has assessed these claims and believe that no material loss is expected to arise from them.

36 Subsequent Events

On 2022, a dividend of LC .00 (2020: LC .00) per share was proposed by the directors for approval at the Annual General Meeting. There were no events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.