Nascon Allied Industries Plc

2023 ANNUAL REPORT

DANGOTE

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Our 2023 Annual Report combines our financial and sustainability performances into a collaborative report that explains the Company's ability to create and sustain value for shareholders.

We believe that sustainable value creation for all our stakeholders will be based on our ability to fully align the Dangote 7-Sustainability Pillars - cultural, environmental, economic, operational, social, institutional and financial, which this report is structured around.

DANGOTE

Nascon Allied Industries Plc is a member of the Dangote Group of Companies

OUR VISION, MISSION & CORE VALUES

Vision

Our vision is to be a world-class consumer goods company that is recognized for the quality of our products and services, delivering high returns to our stakeholders.

Mission

- To deliver consistently good results to our shareholders by selling high quality products at affordable prices, backed by excellent customer service.
- To satisfy market demand by producing the best quality products with the best resources and processes that comply with international industry standards and industry best practices.
- To provide economic benefit to local communities in which we operate.
- To set a good example in areas of corporate governance, sustainability, health and safety.

Core Values

Customer Service

As a world-class organisation, we understand that we exist to serve and satisfy our customers. Accordingly, our customer orientation reflects intimacy, integrity and learning.

Excellence

We are a large organisation, working together to deliver the best products and services to our valuable customers and stakeholders. To achieve this, we demonstrate teamwork, respect and meritocracy.

Leadership

We thrive on being leaders in our business, markets and communities. To drive this, we focus on continuous improvement, partnership and professionalism.

Entrepreneurship

We continuously seek and develop new businesses, and employ innovative ideas to retain our market leadership.

Our journey so far

1973 — The salt company was incorporated with the Federal Government as a majority shareholder

1979 — Federal Government acquired the minority shareholding, making NASCON wholly owned by the Federal Government

1992 — Privatization of NASCON as the Company was listed on the NSE in October 1992

2007 — Reverse takeover of NASCON by Dangote Salt Limited (DSL) as NASCON acquired assets, liabilities and business undertakings of DSL

2014 — Seasoning, Vegetable Oil and Tomato Paste plants and products were commissioned in "Salt City", Ota

2015 — Company name changed from NASCON (National Salt Company of Nigeria) to Nascon Allied Industries Plc

2021 — New state of the art Salt refinery "Salt Village" commissioned

Let's Begin

At A Glance: Our Financial Performance

2023 Revenue

2019	2020	2021	2022	2023
58.79	33.28	28.01	27.49	₦80.8B

2023 EBITDA

2019	2020	2021	2022	2023
5.14	6.36	5.05	11.74	₦23.1B

2023 Operating Profit

2019	2022	2021	2022	2023
2.90	4.03	4.32	8.67	₦21.1B

2023 Net Profit

2019	2020	2021	2022	2023
1.85	2.69	2.97	5.47	₦13.7B

2023 Total Assets

2019	2020	2021	2022	2023
38.67	44.31	40.52	55.53	₦83.6B

2023 Total Equity

2019	2020	2021	2022	2023
11.09	12.72	14.63	19.04	₦27.5B

2023 Earnings per Share

2019	2020	2021	2022	2023
0.70	1.02	1.12	2.06	₦5.18

2023 Dividend per Share

2019	2021	2021	2022	2023
0.40	0.40	0.40	1.00	₦1.00*

*Interim dividend was paid 17 November 2023.

Company Overview

Nascon Allied Industries Plc is Nigeria's leading refiner and distributor of household, food processing and industrial use salt.

We employ nearly 600 full-time employees in our factories, warehouses, fleet and offices throughout Nigeria with our headquarters in Oregun, Lagos. We strictly adhere to rigorous industry and regulatory standards that ensure quality products for Nigeria's ever-increasing consumer and developing industrial markets. Our products have Standards Organisation of Nigeria (SON), International Organization for Standardization (ISO) and the National Agency for Food and Drugs Administration and Control (NAFDAC) certifications.

We have three regional sales offices that manage the warehouses and other distribution centres strategically located to serve the Nigerian and neighbouring markets. We own a fleet of over 300 trucks dedicated to the distribution of our products across Nigeria.

Our History

National Salt Company of Nigeria was established as a salt refinery at Ijoko, Ogun State in 1973, as a joint venture between the Federal Military Government of Nigeria and Atlantic Salt & Chemical Inc. of Los Angeles, California, USA, due to an identified need for self-sufficiency in the production of salt, an essential commodity. Construction work commenced on October 20, 1974 with the refinery completed in December 1975 and erection of plants and machinery in August 1976.

The Company was privatized in 1991 with its shares listed on the floor of Nigerian Exchange Limited in October 1992, through which Dangote Industries Limited purchased majority shares in National Salt Company of Nigeria. Following the reverse takeover of Nascon by Dangote Salt Limited (DSL) in 2007, Nascon acquired the assets, liabilities and business undertakings of DSL.

In 2015, we changed our name to Nascon Allied Industries Plc. to reflect the full range of product offerings.

Our Plants

The Apapa refinery, located in the Apapa Port of Lagos, was commissioned in 2001. The Port Harcourt refinery located in the sea port in Rivers State was commissioned in 2003. The Oregun plant was commissioned in 2004 to produce refined salt. Oregun plant was converted to a fleet workshop in 2021 with the commissioning of the new state-of-the-art refinery at Salt Village.

Our plants are primarily powered through the National Grid with generators fueled by gas or diesel, with combined capacity to generate 6.1MW of power.

We made a strategic decision in 2011 to grow the Company through new product lines. We took advantage of our existing site in Ota and construction activities commenced in 2012.

The seasoning plant was commissioned in 2014. The tomato paste packaging plant, which is designed to produce and package tomato paste from tomato concentrate was commissioned in 2015. The vegetable oil refinery was commissioned in 2015 to produce refined vegetable oil from crude palm oil.

Due to the foreign exchange policies, the vegetable oil and tomato paste plants were mothballed in 2018 and 2020 respectively. The vegetable oil plant was sold in 2021.

We commissioned a state-of-the-art Salt Refinery plant in Apapa in 2021 as we position the company for the future.

Seasoning

Ota

Seasoning is presently available in our classic flavour variant.

Salt

Apapa, Port Harcourt & Salt Village

Nascon offers a comprehensive salt product portfolio that is sold in 50kg bags and satchets (1kg, 500g and 250g) under the well-known "Dangote" brand. For us, salt is more than just the mineral that enhances the flavour in food. As an essential element in our diet, we fortify it with iodine under UNICEF guidelines and Nigerian regulations to combat iodine deficiency disorders.

Chairperson's Statement

"Amid global and local challenges, Nascon's resilience shone through, achieving a turnover of ₦80.8 billion and a Profit After Tax growth of 151%. We remain committed to sustainable growth and excellence."

Distinguished Shareholders,
It is with great pleasure that I welcome you to the 2023 Annual General Meeting of Nascon Allied Industries Plc and present the Annual Report and Accounts for the financial year ended 31st December 2023. On behalf of the Board of Directors, I extend my sincere appreciation to each of you for your unwavering support and dedication throughout the year.

Review of 2023 Business Environment
The global economic growth in 2023 witnessed challenges stemming from heightened prices exerted substantial drag on consumer demand, while sustained interest rate hikes deterred investment level. Concurrently, weakened trade dynamics and recurring geopolitical tensions eroded investor confidence, amplifying market uncertainties and precipitating disruptions in global supply chains. These multifaceted challenges collectively tested the resilience of the global economy, underscoring the intricate interplay of various factors shaping economic performance on a global scale.

In Nigeria, the pro-market reforms ushered in by the new administration, which signaled a shift towards a private sector-driven growth model, exerted notable influence on the economy's performance in 2023. Particularly, the concurrent implementation of fuel subsidy removal and exchange rate unification initiatives instigated a significant depreciation of the Naira, thereby amplifying inflationary pressures and fostering a more constrictive interest rate environment, both of which collectively hampered economic expansion and diminished investor confidence. Geopolitical tensions and conflicts in certain regions also contributed to uncertainties in our distribution channels. Despite these challenges, Nascon remained resilient, adapting our strategies to navigate the evolving business environment.

Operational Performance
Amidst the challenges in 2023, Nascon achieved commendable operational performance. Our strategic initiatives and proactive measures enabled us to grow in value and profitability. I am pleased to report that our turnover for the financial year ended 31st December 2023 grew 37% to ₦80.8 billion, marking a significant increase from the previous year. Profit After Tax also saw an impressive growth of 151% to ₦13.7 billion, reflecting our commitment to operational efficiency and excellence.

Sustainability

The United Nations Sustainable Development Goals (SDGs) remain a focus for Nascon with the continued implementation of Nascon's prioritized SDGs (2, 3, 6, 12 and 13). This reinstates the Board of Directors' responsibility for decision-making on issues about stakeholders' value creation, financial performance, strategic plans, risk management practices, and governance structures,. We continued to strengthen our relationships with stakeholders such as employees, customers, suppliers and communities through engagement initiatives, stakeholders' survey and materiality assessments. In recognition of our excellent Environmental Social and Governance (ESG) practices in the year 2023, Nascon received awards at the CSR Reporters' Social Impact and Sustainability Awards Ceremony, and the Nigeria Safety and Security Watch Awards Ceremony.

Looking Forward

As we look ahead, Nascon remains focused on our commitment to health, safety, and environmental sustainability. Despite ongoing challenges in the global and national landscape, we are optimistic about the future prospects of our company. The Board and Management are steadfast in our dedication to driving continued growth and innovation, while maintaining a steadfast commitment to our stakeholders and communities.

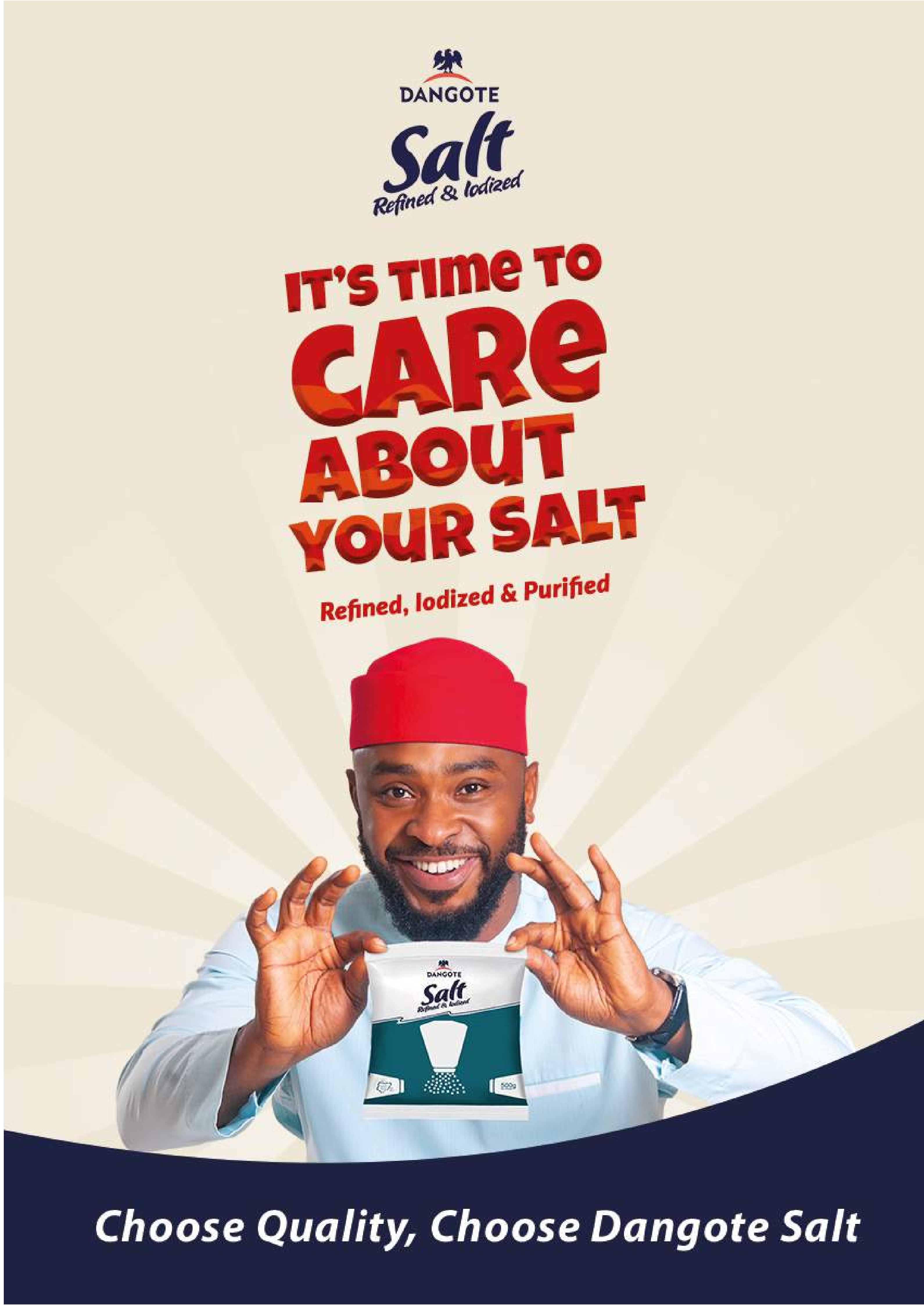
Appreciation

I would like to express my deepest gratitude to Nascon's Board of Directors, Management and Staff for their dedication and hard work throughout 2023. I also extend my sincere thanks to our valued shareholders, customers, and business partners for their continued support and trust in Nascon. Your steadfast loyalty is integral to our success, we don't take it for granted and we look forward to continuing our journey together.

In conclusion, I assure you of our unwavering commitment to excellence, integrity, and sustainable growth as we strive to create value for all our stakeholders. Thank you for your continued trust and support.

Warm regards,

'Yemisi Ayeni
Chairperson



"In 2023, Nascon prioritized stakeholder welfare, transparency, and compliance, achieving milestones in sustainability and operational excellence, setting the stage for continued growth and innovation in 2024."

Managing Director's Review

I am pleased to be a part of Nascon's transformational journey as a market leader. Despite the challenges we faced, we are proud of our ability to progress our vision, whilst maintaining our core values of customer service, excellence, leadership, and entrepreneurship.

1. In view of the challenging business environment in 2023, how would you say Nascon performed?

Despite the challenging nature of the economy in 2023, we remained optimistic that the Federal Government's policy directions would result in positive changes that would support the business environment. I am pleased to report significant achievements in our financial performance for the year. Despite the challenges presented by the business landscape, Nascon demonstrated remarkable resilience.

Our revenues surged to ₦80.8 billion, an increase compared to ₦58.8 billion in the prior year. This impressive growth was mirrored in our profit after tax, which reached ₦13.7 billion, up from ₦5.5 billion in the prior year, resulting in earnings per share of ₦5.18, a notable improvement from ₦2.06 in the prior year.

These achievements underscore our steadfast commitment to delivering value to our shareholders. Our success can be attributed to our unwavering dedication to offering high-quality products at competitive prices while maintaining a relentless pursuit of excellence in all aspects of our operations.

2. What were the main business challenges Nascon faced?

In 2023, Nascon faced significant business challenges amidst Nigeria's economic challenges, characterized by deteriorating macro-economic indicators compared to the previous year. These challenges included slower GDP growth, escalating inflation, severe foreign exchange shortages, mounting sovereign debts, volatility in the Naira exchange rate, and declining levels of foreign portfolio and foreign direct investments.

The uncertainties surrounding the elections, coupled with policy reforms initiated by the new administration such as the removal of petroleum subsidy and exchange rate aggregation, exacerbated the effects on inflation and the value of the Naira, resulting in a decline in consumers' disposable income. As we navigated these challenges, our stakeholders remained a priority for Nascon. We recognized that our success is linked to their support. To this end, we remained committed to the welfare and development of our employees. Furthermore, we maintained active engagement with our host communities, providing support and fostering positive relationships.

We also prioritized transparency and integrity in our dealings with distributors, and vendors, ensuring alignment with our values and ethical standards. Additionally, we maintained open communication with regulatory bodies to ensure compliance with applicable laws and regulations. Nascon has cultivated a culture of compliance and risk management, emphasizing the importance of adhering to ethical and legal standards in all aspects of our operations.

In summary, despite the formidable challenges faced in 2023, Nascon remained steadfast in its commitment to stakeholders, prioritizing their well-being and maintaining integrity and compliance in all endeavors.

3. How has Nascon achieved its sustainability goals?

As pacesetters, our 2023 Annual Report which includes the sustainability report, is written in accordance with the GRI Sustainability Reporting Standards, is fully compliant with the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs) while also fulfilling our responsibility of disclosing our detailed sustainability performance to our stakeholders. We are also one of the early adopters of the IFRS Sustainability Disclosure Standards in the Nigerian market.

In continuing with our habit of excellence, we maintained certifications such as ISO 9001:2015 Quality Management System (QMS), ISO 22000:2018 Food Safety Management Systems (FSMS) and also current Good Manufacturing Practices (cGMP). Our plant is SMETA (Sedex Members Ethical Trade Audit) Four-Pillar and Halal Certified. Furthermore, in 2023 we increased social investment projects related spending with more initiatives focused on women economic empowerment, skills transfer, capacity building, local entrepreneurial development, infrastructural development and stakeholder engagement compared to the previous year. The aforementioned and several other milestones and programmes during the year further strengthens our commitment to achieve our sustainability goals and targets.

4. How does Nascon plan to position for growth, whilst sustaining its profitability?

In positioning Nascon for sustained growth while maintaining profitability, we have outlined a multifaceted strategy that leverages our strengths, embraces innovation, and prioritizes efficiency. By identifying emerging trends and consumer preferences, we can capitalize on untapped opportunities for growth while mitigating risks associated with market saturation. Through continuous process optimization and strategic resource allocation, we seek to enhance productivity and reduce costs, thereby bolstering our bottom line and ensuring long-term sustainability.

Also, strategic partnerships and collaborations play a pivotal role in our growth strategy. By forging alliances with industry peers, suppliers, distributors, and other stakeholders, we can access new markets, technologies, and resources that complement our core competencies. Through mutually beneficial partnerships, we can accelerate market expansion, drive innovation, and unlock new revenue streams. By aligning our strategic initiatives with our mission and vision, we aim to create sustainable value for all stakeholders while contributing to the economic development of the communities in which we operate.

5. What is the outlook for Nascon in 2024?

Looking ahead to 2024, Nascon is poised for further growth and resilience in the face of ongoing challenges. Building upon the lessons learned and gains achieved in 2023, we anticipate greater strides in production efficiency and optimal resource utilization. Despite the uncertainties that may lie ahead, we remain confident in the robustness of our strategy, and our ability to navigate the evolving business landscape and capitalize on opportunities for growth and innovation.

As we embark on this journey into the new year, I extend my gratitude to all our stakeholders, including our customers, distributors, staff, suppliers, and other strategic partners. Your support has been instrumental in our success, and we are committed to fostering continued collaboration and warm business relationships as we strive for excellence in 2024 and beyond.

Thabo Mabe
Managing Director

2023 ANNUAL REPORT

SUSTAINABILITY

Our Approach to Sustainability

GRI 2-1; 2-2; 2-3; 2-4; 2-5; 2-6

Target 16.3, 16.6, 16.7

Agenda 2063 The Africa we Want

Aspiration 1 | Goal 1,4,

Head, Health, Safety, Social, Environment and Sustainability

"Sustainability for us offers the ideal foundation for establishing and sustaining our corporate values and strategic goals."

This Nascon Allied Industries Plc Sustainability Report, which is in accordance with the GRI Sustainability Reporting Standards, is for 2023 reporting year which runs from 1 January to 31 December 2023. This report provides our stakeholders with information on our performance in the areas of social, environmental, economic, and governance issues during the year under review as well as the strategies and processes we have adopted to make ongoing improvements. This Sustainability Report which supplements our 2023 Annual Report is structured using the seven (7) Dangote Sustainability Pillars, the scope and boundaries includes all our operations in Nigeria consisting of our facilities in Lagos, Ogun, and Rivers States as well as our fleet operations.

This Report satisfies our disclosure for the Nigerian Exchange Group's Sustainability Disclosure Guidelines (NGX-SDGs) because essential indicators are likewise documented. It also explains our contributions to the United Nations Sustainable Development Goals (UN-SDGs) and the steps we are taking to help achieve the Goals, alongside our accomplishments in incorporating the United Nations Global Compact (UNGC)'s ten (10) sustainability principles into our business practices. We have also cross-referenced, benchmarked, and interoperated the data and disclosures in this Report written in accordance with the 2021 GRI Sustainability Reporting Standards Disclosures and Principles, with the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Financial Reporting Council of Nigeria Code of Corporate Governance (NCCG), and IFRS Sustainability Disclosure Standards.

To demonstrate transparency in respect to concerns of stakeholders and material topics included as part of the reporting process, we engaged an independent third-party sustainability consultant (Dupht Consults Limited) to execute stakeholder engagement and materiality assessment surveys (involving employees, host communities, investors, and supply chain). The Report was presented for the GRI Content Index - Essentials Service to assess the correct application and reference of the GRI Standards, with the GRI Service Mark awarded after the assessment exercise. Using the ISAE (International Standard on Assurance Engagements) 3000 Standards, Deloitte Nigeria conducted a limited external assurance on key indicators in the Report, to further confirm and strengthen the Report's credibility.

DANGOTE 7 SUSTAINABILITY PILLARS

Pillar	Pillar Objective
Cultural	• Awareness creation and employees' involvement • Diversity and inclusion • Employee volunteering • Labour practises • Sustainable corporate culture • Training and capacity building • Work-Life balance
Economic	• Anti-competitive behaviour, anti-trust, and monopoly practices • Contribution to economic development (direct and indirect) • Economic growth and self sufficiency • Job and wealth creation
Operational	• Circular economy and Extend producer responsibility (EPR) • Customer confidentiality • Local content and industries • Marketing and communication • Operational and resource efficiency • Product innovation, safety and service excellence • Product responsibility and quality assurance • Supply chain and procurement practises.
Social	• Anti-bribery and anti-corruption • Child labour and forced/compulsory labour • Freedom of association and collective bargaining • Grievance mechanism • Health, safety and employee wellbeing • Human rights and indigenous peoples' rights • Infrastructure development • Land acquisition and resettlement • Non-discrimination • Social responsibility and community engagement • Stakeholder engagement • Whistle blowing
Environmental	• Biodiversity • Carbon footprint and climate action • Climate-related financial risks and opportunities • Energy performances • Environmental management, responsibility and compliance • Investment in efficient technologies • Precautionary approach to environmental management • Resource and energy efficiency • Waste management • Water management
Institutional	• Contribution to UN Sustainable Development Goals • Corporate governance • ESG compliance, awards and recognitions • Legal and regulatory compliance • Materiality assessments • Partnerships for development • Sustainability acculturation • Transparency, brand equity and reputational capital • Values, ethics and rule of law
Financial	• Financial performance highlights • Growth, profit and value creation • Risk management

Our 2023 Milestones At A Glance:

Cultural Pillar
- 10.21% increase in total workforce of which 85.94% increase in new hires and 40.68% reduction in exits.
- 78% of workforce aged 31 to 50 years.
- 30.23 hours average training hours per employee.
- 15 core sustainability trainings sessions with average of 14 hours per employee.

Economic Pillar
- Economic Value Created and Distributed increased by 74%.
- Tax payments increased by 136%.
- Our distribution network and supply chain supports more than 250,000 jobs (direct, indirect, and induced) using the Social Accounting Multiplier Matrix.
- Direct household income contributions up by 164% while Indirect household income up by 70%

Operational Pillar
- Local procurement spending was ₦31.80 billion, a 60% increase.
- Nascon is certified to ISO 9001:2015 Quality Management System (QMS), ISO 22000:2018 Food Safety Management Systems (FSMS) and also current Good Manufacturing Practises (cGMP). Our Plant is SMETA (Sedex Members Ethical Trade Audit) Four-Pillar and Halal Certified.
- Executed four (4) major sales, marketing, and promotional activities in 2023.

Social Pillar
- Spending on social investment projects increased by 35.97%.
- 566 total number of health and safety training programmes, activities, or initiatives.
- Zero cases of bribery, corruption and discrimination in our business operations.
- Zero cases of human rights and indigenous people rights violations across our operations

Environmental Pillar
- Energy consumption increased by 6.83%; energy intensity increased by 10.46%.
- Natural gas accounts for 72% of our fuel mix
- GHG emissions: Scope 1 down by 11.36%; Scope 2 up by 42.75%; and Scope 3 down by 46.87%.
- GHG emission intensity reduced 8.35%.
- Water intensity increased by 19.63%.
- Zero environmental compliance fines, penalties or sanctions for non-compliance.

Institutional Pillar
- Executed stakeholders' survey and materiality assessment for employees, communities, investors and supply chain partners.
- Progressed in the implementation of our prioritized SDGs (Goals 2, 3, 6, 12, and 13).
- No fines/penalties for ESG (environment, social and governance) and regulatory non-compliance.
- Won the 2023 CSR REPORTERS' Social Impact and Sustainability Awards (SISA).
- 10 Board members, 40% Women (4) and 60% Men (6).

Financial Pillar
- Revenue up 37% to ₦80.8B
- Gross profit up 81% to ₦44.3B while EBITDA up 104% to ₦23.1B; 29% margin
- Profit before tax up 146% to ₦20.59B while Profit after tax up 151% to ₦13.73B
- Earnings per share up 151% at ₦5.18 with an interim dividend of ₦1.00 per share

Management Team


Thabo Mabe


Aderemi Saka


Murtala Zubair


Olushola Shosanya


Olusegun Ajala


Shalom Okonmah


Adedayo Samuel


Ayokunle Ushie


Patrick Mogaha


Tunde Iwamofe


Kolawole Samuel


Diseye Oba

Management Team

Thabo Mabe
Managing Director
Thabo holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa. He is the former CEO of Unilever Nigeria Plc. Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the rice business of the Group. He has a wide international working experience, managing businesses in South Africa, Germany as well as Nigeria.

Aderemi Saka
Chief Financial Officer
Aderemi has 26 years of experience working in Nigeria and the United States with various multinationals and publicly traded corporations. Prior to joining Nascon as CFO, Aderemi was part of the Group Corporate Strategy team at Dangote Industries Limited. Prior to joining the Group in 2015, Aderemi held various roles at Verizon Business, MCI, American Tower Corporation and T/R Systems Inc.

She has a Bachelor's Degree in Accounting and a Masters in Business Administration (International Business) from Georgia State University, USA.

Murtala Zubair
Head, Human Resources and Administration
Murtala is a trained HR practitioner having obtained a Bachelor of Science degree in Economics and a Masters of Business Administration (MBA) from the Bayero University, Kano and Ahmadu Bello University respectively. He joined Dangote Industries Limited in 2002 and was later re-assigned to Dangote Sugar Refinery Plc in 2009 as the Head, Human Resources/ Admin.

Prior to joining the Group he worked at the Bank of Agriculture, Financial Institutions Training Centre (FITC) and Liberty Bank Ltd. He is an active member of the Chartered Institute of Personnel Management of Nigeria (CIPMN).

Olushola Shosanya
Head, Sales
Shola has decades of experience in sales management, sales force management and warehousing. He is also a Sales trainer. He started his career in Nigerian Bottling Company, where he received both local and international trainings on sales management and trade activations

He joined Nascon in 2016 having previously worked at 3D Impact Marketing as a Marketing consultant. He holds a Bachelor's degree in Animal Science from Obafemi Awolowo University and Post Graduate Diploma in Marketing from the University of Lagos.

Olusegun Ajala
Head, Marketing
Olusegun is a marketing professional with over 17 years cognate experience in experiential marketing, consumer marketing, trade channel development, category management, shopper marketing, new product development, public relations, events and sponsorship.

He joined Nascon in 2016 having previously worked at Nigeria Bottling Company and Mouka Limited. He has a Bachelor's degree in Pure and Applied Chemistry from Ladoke Akintola University of Technology and Master's degree in Marketing and Management from the University of Bradford, UK. He is a fellow of the National Institute of Marketing of Nigeria, and a Certified Scrum Master in the USA.

Shalom Okonmah
Head, Procurement
Shalom has 25 years of work experience spanning sales, finance, treasury, procurement, international trade and importation. She holds an Accounting degree from Edo State University and a Masters in Business Administration from the University of Calabar.

Shalom started her career with Dangote Group as an Executive Officer in 1997 before moving to Dangote Agrosacks Limited, where she rose to the position of Head Treasury, Procurement and Clearing.

She is also a member of the Chartered Institute of Purchasing and Supply Chain Management and Chartered Institute of Cost Management.

Adedayo Samuel
Company Secretary
Adedayo was the pioneer Company Secretary of Nascon when the Company was privatized by the Federal Government. He was responsible for taking the Company to the NGX Regulation Limited upon privatization in 1992.

He has extensive and varied experience in corporate governance, litigation and the Judiciary where he served as a Chief Magistrate. He obtained his LLB degree from the then University of Ife and was called to the bar over three decades ago.

Ayokunle Ushie
Head, Risk Management
Ayokunle is a Corporate Finance and Risk Management practitioner with a number of local and international banks. He joined the Dangote Group Risk Management Department in 2016 and subsequently Nascon Allied Industries in 2018. Ayokunle has a Bachelor's Degree in Geography from the University of Ilorin and a Master's in Business Administration from the University of Nicosia, Cyprus. He is a member of the Institute of Operational Risk (IOR) and an Alumni of the Risk Certification Program of the Global Association of Risk Professionals (GARP). Ayokunle's core experiences are within data mapping, risk modeling (Operational, Credit and Market), estimated loss projections and engineering risk surveys.

Patrick Mogaha
Head, Internal Audit
Patrick began his audit career as a Financial Auditor with First Bank of Nigeria Plc and has over 22 years of experience in Internal Audit, Information Systems Audit and Fraud & Forensic Audit. Prior to joining Nascon, he was the Deputy Head of Audit for Dangote Cement.

Patrick is a Fellow of the Institute of Chartered Accountants of Nigeria, Certified Fraud Examiner, Certified Forensic Accountant, Certified Information Systems Auditor and a former member of Committee of Chief Inspectors of Banks in Nigeria. He holds a Bachelors degree in Accounting and a MBA in Banking and Finance from ESUT Business School, Enugu and a former member of Committee of Chief Inspectors of Banks in Nigeria (CCIBN).

Tunde Iwamofe
Financial Controller
Tunde is a seasoned professional with over 16 years of experience in financial reporting, analysis, planning, budgeting, forecasting, internal audit, tax planning and computation. He joined Nascon in 2008 having previously worked as an Account Manager for Somotex Nigeria Limited, a member of the Mohinani Group of Companies.

He is a graduate of Federal Polytechnic Bida, Niger State and a Fellow of the Institute of Chartered Accountants of Nigeria. He is also a Certified Change Manager.

Kolawole Samuel
Head, Operations
Kolawole joined the Company in 2004 and has worked in various capacities including Production Manager, Quality Control Manager, Maintenance Manager, Plant Manager and Operations Manager.

He is a graduate of Food Engineering from Ladoke Akintola University of Technology, with both local and international training in production management and salt refinery operation from GIUSTI LTDA Brazil. He is a professional member of Nigeria Institute of Food Science and Technology (NIFST).

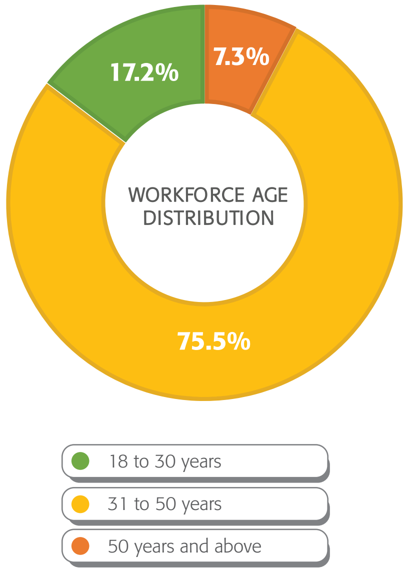
Diseye Oba
Head, HSSE
Diseye has over 10 years experience in HSSE management systems and sustainability. She has completed several ISO trainings and holds a B.Sc. Hons. in Biochemistry from University of Port Harcourt as well as a Master's degree in Petroleum and Environmental Technology from Coventry University, U.K. She serves as the Vice Chair, South-South region (West Africa Division) of the Institution of Occupational Safety and Health (IOSH). She is an executive committee member of the Women in Safety Excellence (WISE) and mentor/mentee coordinator of the young emerging professionals (YEP) group, both of the American Society of Safety Professionals (ASSP). She is also a member of the Institute of Safety Professionals of Nigeria (ISPON) and is a career mentor in the Coventry University Talent Mentoring Programme. She joined Nascon, having held prior positions in Specialty Drilling Fluids, Warri Refining and Petrochemicals Company and Shell Cooperative East (Port Harcourt).

"As we strive to improve our employment branding as a company that provides personalized and collaborative experiences to new hires, we initiated 3 additional SAP SuccessFactors modules (recruiting, onboarding and offboarding)."

Human Resources Report

Our People
In today's competitive business environment, it is essential to have dedicated talent with the right quality and numbers to drive, sustain and achieve business goals. All our employees contribute to our success and are instrumental in driving strong financial performance.

Employee profile
At the end of 2023, we had a staff strength of 990 (899 males and 91 females). A further breakdown indicated that 673 are permanent, while 317 are temporary. To demonstrate our commitment to the development of our employees, we converted 42 temporary employees to permanent staff and have started training our first batch of graduate trainees.



Human Resources Report

Diversity and Inclusion
As a partner with the Nigeria2Equal Forum and NGX Regulation Limited, and as an equal opportunities employer, we value differences and champion diversity and inclusion. Pursuant to this, we conducted the following initiatives:

- Carried out a listening tour with our employees with disabilities. We had 6 physically challenged persons in employment as at 31st December 2023.
- Held an awareness session on anti-discrimination of persons with disabilities.
- Celebrated International Women's Day and World Breastfeeding Day, with various activities including the provision of breast pumps to nursing moms

Employee Welfare and Wellness
In our efforts to improve performance and morale, the Board approved the upward review of staff remuneration. In addition, to ameliorate the effect of the removal of the fuel subsidy we increased the number of staff buses. For the health and wellbeing of the employees, we provided all employees with free insecticide-treated nets. Furthermore, our state-of-the-art cloak room was commissioned at Salt Village for the comfort of our employees. All these initiatives resulted in a reduction in staff attrition by over 40%. To support our employees' physical health, we launched a walkathon/step challenge in all the plants and used the event to raise our brand visibility within our local communities.

Employee Recognition
- 3 truck drivers were rewarded for their dedication and loyalty as the best drivers of the year.
- 69 employees received awards for their long service to the company – 42 (5 years), 5 (10 years), 11 (15 years), and 11 (20 years).

- 1 employee received the 2023 Nascon Champion's Award for his outstanding business initiatives.

Group-Wide Engagement Survey
In 2023, we participated in The Great Place to Work® Trust Index© employee survey to measure the extent to which our company is considered as a great place to work by our employees. Our scores were compared to both global and internal benchmarks and we have continued to focus on implementing the feedback from the survey results.

Succession Planning and Performance
As we continue to ensure business continuity by making functional succession plans for key roles, we maintained a robust pipeline of talents crucial to our ongoing success. In view of this, our high value employees were enrolled on the Dangote Leadership and Development Program.

Learning and Development
With automation and digital transformation, employees have opportunities to reinvent themselves and learn new skills. We are committed to investing in our employees through training and development programs, on the job experience, coaching and tuition reimbursement to promote professional growth. As we strive to improve our employment branding as a company that provides personalized and collaborative experiences to new hires, we initiated 3 additional SAP SuccessFactors modules (recruiting, onboarding and offboarding). We have gone through various stages of implementation up to User Acceptance Training (UAT) phase and hope to go live in 2024.

Future Outlook
While we envisage the forthcoming year to be characterized by daunting challenges, we shall continue to improve on our skills, knowledge, and competencies to be able to overcome those challenges and remain competitive in the food and beverages subsector of the Nigerian economy.

M. Zubair

Murtala Zubair
Head, Human Resources and Administration

Cultural Pillar

Building a culture of workplace empowerment and inclusion

Cultural Standards and Definition:

Embody our core values in the way we do business, including fostering respect for cultural diversity, equal opportunities and non-discrimination in our internal and external relations with all stakeholders. To achieve this, we actively encourage teamwork, empowerment, inclusion, mutual respect, integrity, and meritocracy in our organisation

75% of workforce aged 31 to 50 years.

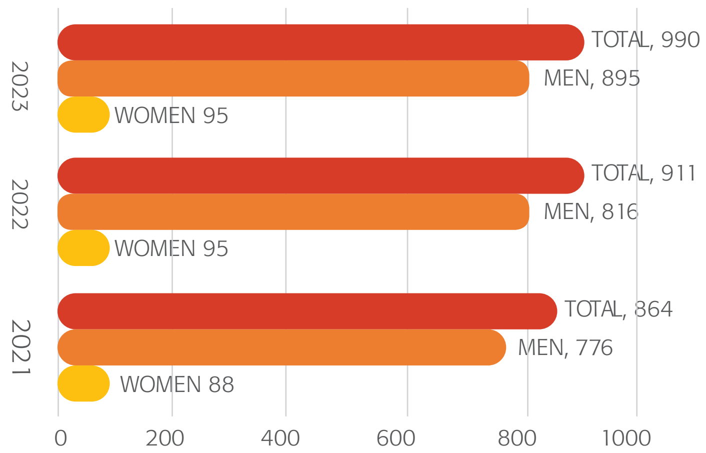
10.21% increase in total workforce.

30.23 hours average training hours per employee

Nascon's Dynamic Workforce

The essence of Nascon's performance and growth is strongly attributed to its employees, hence we are proud to provide them with opportunities for self-realization and advancement in their professional journey. In 2023, we had a total of 990 employees, of which 673 (68.33%) were permanent employees, 317 (31.57%) temporary employees.

Employees in the 31 to 50 years age category in 2023 are still the majority of our workforce (75.5%) similar to 2022, signifying a vibrant workforce that can inspire more productivity. There was no case of child labour in any of our facilities and fleet operations.



Overall, in 2023 compared to 2022, total employees increased by 10.21%, permanent employment increased by 16.27%, temporary employment reduced by 1.25%; male employee numbers increased by 11.40%, while female employees remained unchanged.

Total employees by employment types per location

	Permanent	Temporary
Apapa Plant	75	0
Salt Village Plant	159	0
Oregun Site	68	39
Ota Plant	92	0
Port Harcourt Plant	191	0
Fleet Operations	88	278
TOTAL	**673**	**317**

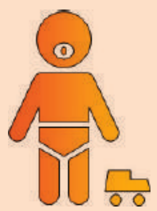
Year-on-year, we have continued to recruit top talents either for newly created roles or in replacing employees who exit Nascon for other career opportunities. In 2023, new hires increased by 85.94% (119 from 64 in 2022) while exits reduced by 40.68% (35 compared to 59 in 2022) signifying Nascon as a preferred employment choice for talents. New hires and exits number for 2023 was fairly distributed across all Nascon operational sites.

Employee Benefits and Labour Practices

Nascon provides a range of monetary and non-monetary benefit packages to employees across its operations irrespective of location, thus helping to motivate, groom and keep talents. Also, several employee engagement activities were executed during the year to boost workforce morale and participation. Furthermore, our retirement plan and approach are fully aligned with the mandatory contributory pension scheme of Nigerian Pension Reform Act (2014), in which we contribute 10% of the employee's salary while the employee contributes 8% to their pension account.

Cultural Pillar

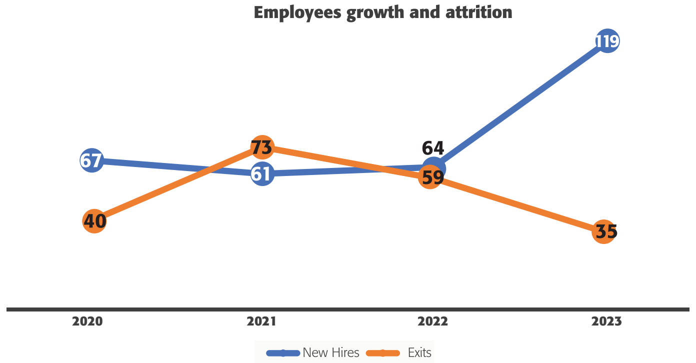
Employee Benefits
- Comprehensive Health Care
- Paid Annual Leave
- Group Life Insurance
- Nigeria Social Insurance Trust Fund
- Examination Leave
- Long Service Awards
- Retirement Benefits
- Professional Body Subscriptions
- Parental Leave (Maternity Leave)



Three (3) female employees (2 from Salt Village Plant, 1 from Oregun site) benefited from the 90 days parental (maternity) leave provided by the company. 100% returned after the parental leave period.

We complied with all Nigerian labour and working conditions-related laws and other compliance obligations in 2023 and ensured that our human resource policies and practices align with the International Labour Organisation (ILO) standards, International Finance Corporation (IFC) Performance Standard (PS) 2 (Labour and Working Conditions) and the UNGC Principle 4 of which we uphold the elimination of all forms of forced and compulsory labour. These policies include but not limited to Diversity & Inclusion Policy, Leave Policy, Employee Data Privacy Policy, Compensation & Benefits Policy, Harassment Policy.

Employees growth and attrition



Upskilling: Learning and Development

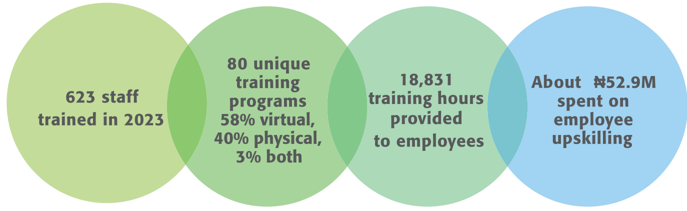
Our employee upskilling process involves the provision of learning and developmental activities to enhance our employees' skills, knowledge, and competency resulting in better performance. Our training programmes includes both general and function-specific trainings, designed to cater to various employee cadres, and delivered either virtually or physically across all our plants and operations.

Average hours of training per employee	
2023	30.23 hours per employee
	28.93 hours per female employee
	30.71 hours per male employee
2022	11.78 hours per employee
	11.83 hours per female employee
	11.77 hours per male employee

Beyond training, we also execute programs that cover leadership development, mentorship, coaching, employee skills upgrade, and career transition assistance such as Management Development Program (MDP) and Management Acceleration Program (MAP).

Cultural Pillar

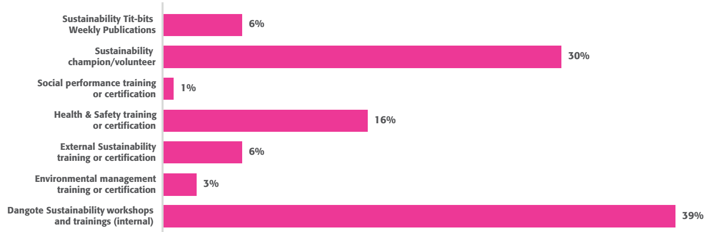
All permanent employees receive regular performance and career development reviews every year. The career review process ensures employees' activities are in line with their personal/developmental goals as well as our corporate strategic plan.



In 2023, we also executed some sustainability trainings and capacity building initiatives to further boost the actualization of our sustainability goals and objectives. 803 employees participated in 15 core sustainability training sessions, recording a total of 11,242 training hours and an average of 14.0 hours per employee. The number of employees trained increased by 101% (400 persons in 2022 to 803 persons in 2023), sustainability training sessions increased by 200% (5 sessions in 2022 to 15 sessions in 2023), total training hours for sustainability increased by 2398% (450 hours in 2022 and 11,242 hours in 2023), and average training hours per employee increased by 1144% (1.13 hours per employee in 2022 to 14.0 hours in 2023). Key training modules during the year include Sustainability Reporting Essentials, ISO 20400, IOSH Managing Sustainably, ISO 26000 (Social Responsibility), Social impact and Sustainability Reporting.

Our employees' interest and engagement in sustainability were through the enhancement of their sustainability knowledge through various platforms such as internal sustainability workshops and trainings and volunteering in Nascon sustainability week.

Sources of Employees Sustainability Knowledge (Employee Materiality Survey)



2023 Nascon Sustainability Week: Our Employee Volunteering Initiative

As part of our employees' voluntary effort to utilise their skills, talents, and intellectual resources to make positive contributions to the society and show demonstrable impact and engagement among the diverse stakeholder groups within the host communities, towards enhanced overall socio-economic wellbeing and environmental health, we executed the 2023 Nascon annual Sustainability Week themed "Sustainable Production and Consumption – The Dangote Way", held from 23rd to 27th October 2023.

Through the nine (9) initiatives executed across the communities this year, our emphasis was on UN SDGs 3, 4, 6, 8 and 13 such as provision of trolley bins for two (2) major markets in Port Harcourt and Apapa as well as primary schools in Ijoko-Ota. Other executed initiatives tied to the SDGs are provision of medical equipment in Ijoko-Ota and Alayabiagba health centres, provision of marker boards, dusters and marker pens for five (5) public schools in our host communities, a plethora of sporting activities ranging from board games to track and fields events for employees in order to maintain good health and wellbeing.

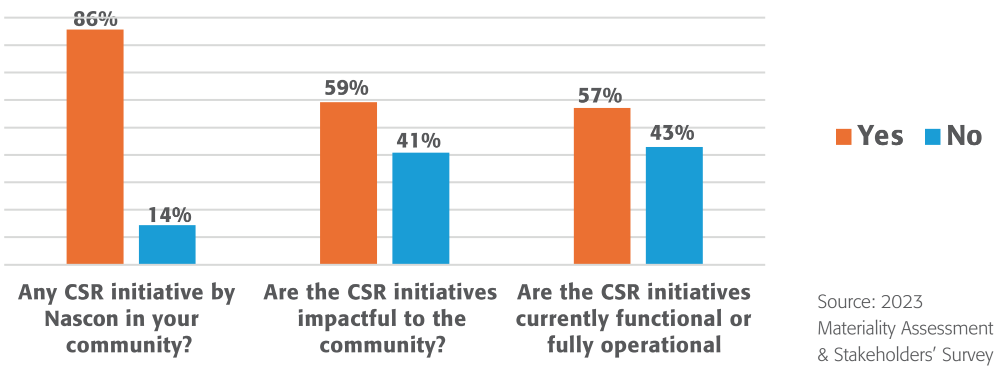
To further raise awareness on climate change, there were awareness sessions in all the institutions visited during the sustainability week with flyers distributed across board. To further extend our impact, we renovated the roof of the Oregun High school to support quality education and also provide a decent place to study.

Cultural Pillar

2023 Nascon Sustainability Week in Photos

Host communities:
Most (86%) of the respondents from the host communities affirmed the contribution of Nascon to their communities' development via the execution of some CSR initiatives.

Stakeholders' Insights Perspectives

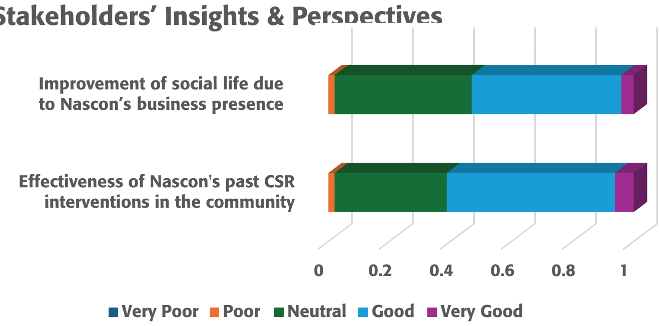


Source: 2023 Materiality Assessment & Stakeholders' Survey

Cultural Pillar

Host communities:
60% of all the respondents indicated that Nascon offered skills development initiatives or scholarships to youths or students in the communities, with beneficiaries mostly in tertiary institution (60%) and secondary school (28%). Majority rated Nascon "good" on the effectiveness of past CSR interventions executed in the community and on the communities' social life improvement as a result of Nascon's business presence.

Stakeholders' Insights & Perspectives



Source: 2023 Materiality Assessment & Stakeholders' Survey

2023 Nascon Sustainability Week in Photos

Economic Pillar

Contributing to Nigeria's economic growth and development

Economic Standards and Definition:

Promote inclusive sustainable economic growth, self-reliance, self-sufficiency, and industrialisation across Nigeria; establishing efficient production facilities and developing resilient local economies in strategic locations and key markets where we play.

Tax payments increase
136%

Economic Value Created and Distributed increase
74%.

Direct household income contributions
164%.

Nascon's Direct Economic Performance & Impact in 2023

GRI 201-2; 201-2; 201-4; 207-1; 207-2; 207-3; 207-4

Target 1.1, 1.3 | Target 1.1, 1.3 | Target 1.1, 1.3 | Aspiration 1 | Goal 1, 4,

IFRS S2 - Governance
IFRS S2 - Strategy

The year 2023 was a myriad of economic hurdles and challenges. The devaluation of Naira, foreign exchange ("FX") volatility, removal of fuel subsidy, rising inflation and interest rates, government policies, regulatory and political environment were challenges of any company's economic performance in the year. With the removal of fuel subsidies, the average fuel price increased by more than 200%, increasing transport and production costs and the cost of goods/services. On the other hand, the harmonisation of the official exchange rate and the parallel market rate made the Nigerian business environment more volatile than usual. It was therefore a volatile year for businesses in Nigeria.

Despite these challenges, Nascon recorded a significant increase of 74% in economic value created and distributed (EVC&D) or retained in 2023. We were able to grow our revenue year on year, which resulted in an increase in economic value dispersed in terms of taxes, purchases, salaries, dividends, and operational expenditures.

This year, we recorded a 37% increase in our gross revenue generated. Our 2023 consumer activities and improved market penetration initiatives increased our gross revenue (economic value created), from ₦58.8 billion in 2022 to ₦80.8 billion in 2023. In a similar pattern, the amount of our economic value that was distributed (across operating expenses, employee wages and benefits, payments to capital providers, payments to governments by country, and expenditures in the community) increased by 21% from ₦40.3 billion in 2022 to ₦48.6 billion in 2023.

Economic Value Created and Distributed (EVC&D)				
	2023	2022	2021	2020
Direct contributions	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Economic Value Created (EVC)	80,828,373	58,786,251	33,279,688	28,010,059
Revenue	80,828,373	58,786,251	33,279,688	28,010,059
Economic Value Distributed (EVD)	48,614,947	40,258,292	25,017,401	19,925,634
Operating costs**	36,509,587	34,243,932	21,320,319	16,447,633
Employee wages, salaries and benefits	3,764,945	2,381,334	2,263,997	2,068,563
Payments to providers of capital	1,435,308	694,829	130,160	171,898
Tax Payment	6,859,890	2,904,943	1,267,061	1,216,406
Social/Community Investments	45,217	33,254	35,864	21,134
Economic Value Created and Distributed (EVC&D) or Retained (EVC - EVD)	**32,213,426**	**18,527,959**	**8,262,287**	**8,084,425**

** Excluding administrative expenses

Economic Pillar

Government Financial Assistance: Furthermore, during the year, Nascon did not receive any financial assistance from government (in form of tax relief and tax credits; subsidies; investment grants, research and development grants, and other relevant types of grants; awards; royalty holidays; financial assistance from Export Credit Agencies (ECAs); or financial incentives).

Responsible Taxpayer: Nascon is committed to adhering to all legal obligations related to tax filing and other statutory returns. We ensure full compliance with regulatory requirements by submitting our annual tax payments to the government. As a responsible taxpayer, our tax expense in 2023 was ₦6.86 billion, an increase of 136% from the tax payment of ₦2.91 billion in 2022. Further details on our 2023 tax returns are included in relevant sections of the Annual Report.

Our Contribution to Economic Development

Target 1.4 | Target 8.2, 8.3, 8.5 | Target 9.1, 9.4 | Agenda 2063 The Africa we Want: Aspiration 1 | Goal 1, 4; Aspiration 2 | Goal 10; Aspiration 7 | Goal 20

Beyond the direct impacts of our economic performance, Nascon's holistic value chain, consumer spending, supply chain and corporate financial commitments helps in the development of local economies and have a cumulative impact on the reduction of poverty, the creation of jobs, and increased standard of living (household income). With our premium seasoning and salts supplied to homes, businesses, and industries, our support and contribution to the nation's sustainable development cannot be ignored.

Contribution to job creation

Reduction in youth unemployment as 85.4% (857) of workforce are aged 18 - 50 years.

Contractual job engagement of more than 500 youths from within our operating host communities.

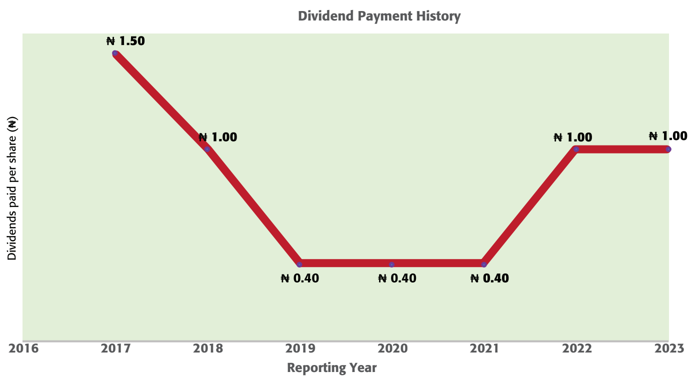
Our distribution network and supply chain supports more than 250,000 jobs (direct, indirect, and induced) using the Social Accounting Multiplier Matrix.

Contribution to household income

Our direct household income contributions (from salaries, wages, and dividends) amounted to ₦9.1 billion in 2023, up 164% from ₦3.4 billion in 2022.

Our indirect household income contributions (from taxes, local purchases, and social investments) amounted to ₦38.7 billion in 2023, up 70% from ₦22.8 billion in 2022.

Dividend Payment: We are committed to ensuring that our shareholders see a positive return on their investments. Hence, in accordance with legal requirements, we distribute dividends and update shareholders on our financial performance annually. In Q4 2023, we paid an interim dividend of ₦1.00 to shareholders amounting to ₦2.65 billion. However, for the financial year (FY) 2023, we propose a bonus issue of one (1) new ordinary share for every fifty (50) existing ordinary shares of 50 kobo each subject to shareholders approval at the AGM.



Anti-competitive Behaviour, Anti-trust, and Monopoly Practices

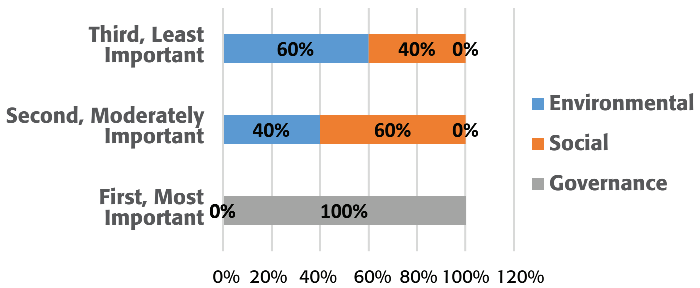
Target 17.1, 17.3

In 2023, we did not incur any financial costs from associated litigations, fines/penalties due to anti-competitive behaviour, anti-trust, and monopoly practices. Nascon remains a responsible business contributing its quota to national development as an industry leader.

Stakeholders' Insights Perspectives

Investors:

All the investor respondents believed that governance (100%) is first and most important ESG metric/issue to be considered when making their investment decisions in a company.



Source: 2023 Materiality Assessment & Stakeholders' Survey

Spotlight on the Women Economic Empowerment Programme

Empowerment training and capacity building: Nascon organised a training program aimed at empowering women in the community. The training covered aspects such as skill development, entrepreneurship, and leadership. Also, a capacity building programme on financial literacy and responsiveness was executed to equip selected members of the Salt Village plant host community (Alayabiagba Community) with financial knowledge and skills. The sessions covered topics on budgeting, savings, investment, and effective financial management.

Nascon products retail: After the training sessions, the women were introduced to the trading of Nascon product (sachet salts) to enable them generate income and contribute to their households.

Financial commitment: For this economic empowerment initiative, Nascon demonstrated its commitment by allocating a total of ₦1.2 million to support the execution of the dedicated community development and empowerment initiative.

Impacts: A total of thirty (30) women benefited from the empowerment programme, translating to increase household income of thirty (30) households, well-being of individuals and fostering of sustainable growth within the host community. A total of twenty- five (25), seven (7) women and eighteen (18) men were part of the and capacity building programme.

Operational Pillar

Modern, efficient factories producing the highest quality salt

Operational Standards and Definition:

Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, product innovation, and employing state-of-the-art technologies and systems to constantly optimise product value, quality and cost efficiencies.

- Local procurement spending was ₦31.80 billion, a 60% increase.
- Executed four (4) major sales, marketing, and promotional activities in 2023.
- Nascon is certified to ISO9001:2015,(QMS), ISO22000:2018,(FSMS),(cGMP). Our Plant is SMETA, Four-Pillar and Halal Certified.

Operational Pillar

Our Strategic Value Chain: From Factory to Consumers

GRI 2-27 GRI 3-3 GRI 305-5

Target 1.1, 1.3 Target 1.1, 1.3 Aspiration 1 | Goal 1,4,

IFRS S2 - Governance
IFRS S2 - Strategy

Nascon is Nigeria's top refiner and distributor of salt for industrial, commercial and domestic use, meeting the demands of both industrial and retail customers across all regions of Nigeria. Our salt product categories are strategically designed for corporate customers and consumer consumption respectively. We are also engaged in the production of food seasoning.

Our value chain begins from the sourcing of raw materials such as crude salt, food seasonings base materials, additives/ preservatives (such as Potassium iodate, Potassium ferrocyanide and other ancillary activities materials), packaging materials (bags, sachets and wrappers). Thereafter, the raw materials undergo series of transformation in our factories and production lines to finished products (refined salt and food seasoning) which are then transported via our logistics network to warehouses and other distribution centres where we serve our markets and customers. Nascon manages its nationwide distribution through three (3) regional sales offices and the company-owned fleet. We utilize more non-renewable materials to produce and package our products compared to renewable materials. Currently, we are considering designing initiatives around recycling of input materials and reclaiming (collecting, reusing, or recycling) of products and their packaging materials at the end of their useful lives.

Nascon remains an industry leader in meeting the needs of both retail and industrial consumers with Edible and Sachet categories accounting for 85.8% and 25.1% of the market share respectively while Seasoning (in Northern Nigeria) has a 5.2% of the market share. Also, our sales performance in 2023 increased by 1%, boosted by several sales and promotional activities across Nigeria.

Our production value chain is shown in the figure below:

Operational Pillar

Operational Efficiency

GRI 2-27 GRI 3-3 GRI 305-5

Target 1.1, 1.3 Target 1.1, 1.3 Aspiration 1 | Goal 1,4,

IFRS S2 - Industry-based Climate-related Metrics & Targets: Energy Management

Our approach to operational efficiency involves optimizing processes to achieve higher productivity, reduce energy consumption, enhance environmental sustainability, and maximize resource utilization. We also employ cutting-edge technology and manufacturing techniques to guarantee that we consistently fulfil our volume goals, while maintaining the highest operational standards in line with global best practices in occupational health and safety. During the year, we continued to invest in energy-efficient technologies for salt extraction, processing, and packaging; conduct energy audits to identify areas of high consumption and implement measures to reduce wastage; optimize production schedules to align with off-peak energy hours, as applicable; and implement employee training programs to raise awareness about energy conservation practices. These efforts do not only improve our cost-effectiveness but also positively impact our reputation and stakeholder relationships by demonstrating a strong commitment to responsible and sustainable business practices.

Building a Sustainable Supply Chain and Procurement Practices

GRI 2-27 GRI 3-3 GRI 305-5

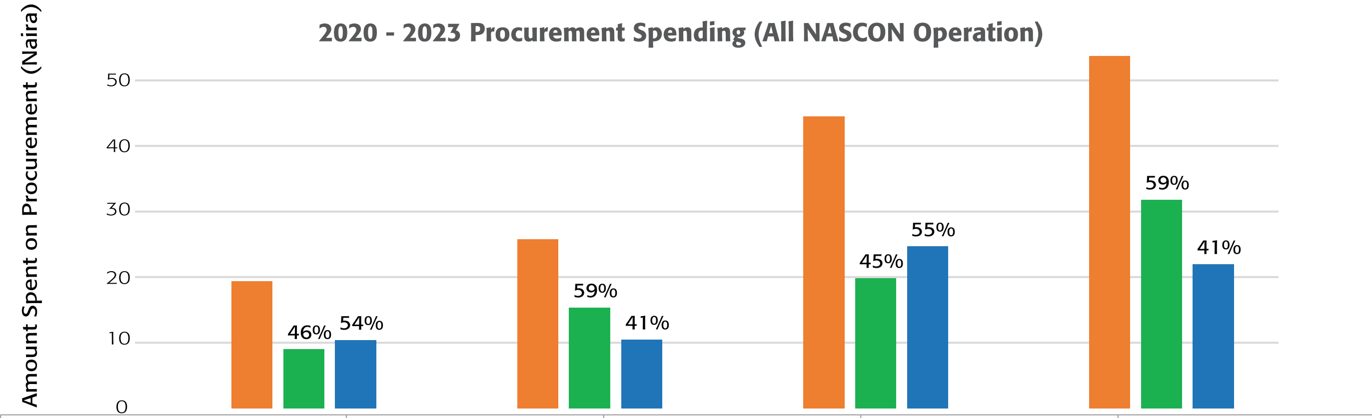
Target 1.1, 1.3 Target 1.1, 1.3 Target 1.1, 1.3 Aspiration 1 | Goal 1,4,

IFRS S1 - Risk Management
IFRS S2 - Strategy
IFRS S2 - Risk Management
IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing

Our supply chain management encompasses every step of the process including vendor selection, production procedures, storage and transportation, risk management, and governance. We are putting processes and structures in place at all points in our supply chain to embed sustainability and ensure that we provide the highest-quality products to our clients, maximizing opportunities, and reducing our exposure to risk and environmental impact. As a practise, we typically shortlist a minimum of three (3) suppliers after pre-qualification to allow for a robust evaluation of price, specifications and service delivery terms by our procurement team for any product or service to be procured for the business.

As part of our commitment to continual improvement, we commenced alignment of our procurement practices to ISO 20400:2017 (Sustainable Procurement – Guidance) for efficient development and implementation of policies and practices in our procurement process.

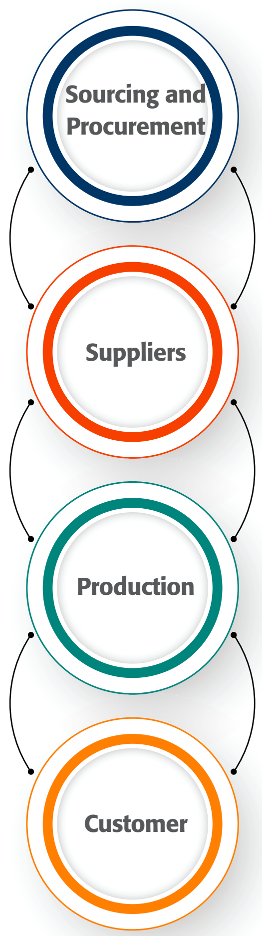
In 2023, we evaluated nine (9) suppliers' social and environmental impacts, while hoping to fully integrate the vetting of new suppliers on environmental and social criteria into our supply chain management and procurement processes. We also engaged our suppliers via the materiality assessment survey, with the respondents (75%) agreeing that every major business transaction/contract should be guided by a Code of Conduct on ESG best practices. Also, 88% agreed that ethics and integrity consideration is vital in selecting supply chain partners in today's global and regulated business environment.



	1	2	3	4
Procurement Per Year	2020	2021	2022	2023
Total (₦'000; Thousand Naira)	19,413,798	25,813,425	44,507,626	53,756,592
Local (₦'000; Thousand Naira)	8,998,291	15,353,533	19,844,391	32,799,850
Imported (₦'000; Thousand Naira)	10,415,507	10,459,892	24,663,235	21,956,742

Operational Pillar

We have detailed our approach to our sustainable supply chain in the following processes below:



Raw Materials Sourcing and Procurement

The initial step in our process involves verifying that the raw materials utilized in our manufacturing are sourced responsibly. We ascertain that the suppliers providing the raw ingredients for our salt hold a Certificate of Analysis (COA) and are recognized for their reliability. Upon the arrival of the raw materials in Nigeria, we reevaluate them to confirm the results of the initial analysis. Additionally, internal audits are conducted to ensure alignment with responsible sourcing practices. We are unwavering in our commitment to eradicating any occurrences of child labor, forced labor, or other human rights abuses from these processes.

Supplier Evaluation

As an integral component of our enterprise risk management and supplier registration process, all vendors undergo thorough due diligence procedures. The evaluation of a new supplier considers various factors, including labor practices, product quality, safety requirements, and production controls. Several measures are implemented to validate the supplier selection process, with a focus on prioritizing local suppliers, as applicable to supporting regional economy. Additionally, our yearly ESG materiality assessment surveys gather input from our suppliers regarding social and environmental issues.

Product Quality and Safety

At Nascon, prioritizing product safety is paramount. From the procurement of raw materials to the final delivery to consumers, we meticulously attend to every step of the production process. Our focus is on delivering goods of superior quality, complying with rigorous hygiene standards, and free from any contaminants that may pose risks to customers and consumers. Our dedicated quality assurance and control team vigilantly oversees and maintains these high standards. They conduct investigations, assessments, and develop robust product safety strategies in alignment with both national and international standards.

Customer Education & Awareness

Nascon contributes to sustainable consumption, health, and nutrition by enhancing public awareness of the correct usage and benefits of salt, including its various forms in relation to wellness. Additionally, we ensure that our valued consumers can make informed purchasing decisions by providing clear and transparent labelling on our products.

Growing Local Content

Target 8.3 Target 12 Aspiration 1 | Goal 1, 4,

We catalyse the development of our local and regional communities' economies by procuring a sizable proportion of our goods and services from local and regional vendors thus enhancing local purchasing power, decreasing inequality, and helping the Nigerian economy flourish. In 2023, we increased our procurement spend from local suppliers to ₦31.80 billion, which is a 60% increase from ₦19.84 billion in 2022. Our total procurement spend which includes technical goods and services, raw materials, consumables, and supplies increased by 21% from ₦44.51 billion in 2022 to ₦53.76 billion in 2023.

Product Quality and Assurance

Target 16.3 Aspiration 3 | Goal 11, 12

Nascon's quality objectives aims to achieve 100% during annual customer satisfaction monitoring, ensure quick customer complaints redress within three (3) days, achieve 100% conformity with statutory and regulatory requirements, and achieve 100% finished products compliance with product specifications. In addition, our food safety objectives are to achieve 100% customer satisfaction through continual improvement and periodic reviews and ensure a zero-food safety recall.

We ensure that all Hazard and Critical Control Points (HACCP) are adequately managed including incorporating interested parties' interest in our Quality Management System (QMS). We continuously improve and review our policies, objectives, processes, and systems in line with the requirements of Nigeria Industrial Standards (NIS), ISO Standards (ISO 9001:2015 and ISO 22000:2018), Nascon's Food Safety Policy Statement and Quality Policy Statement. Yearly, we boost our product quality control, quality assurance and food safety through initiatives such as signages, periodic and regular awareness, cGMP trainings, pep talks and regular quality control checks.

Nascon is certified to ISO 9001:2015 Quality Management System (QMS), ISO 22000:2018 Food Safety Management Systems (FSMS) and also current Good Manufacturing Practises (cGMP). Our Plant is Halal Certified.

We comply with and give adequate attention to industry and regulatory standards ensuring the quality of our products for Nigeria's expanding consumer and industrial markets. The National Agency for Food and Drug Administration and Control (NAFDAC), the International Organization for Standardization (ISO), and the Standards Organization of Nigeria (SON) have all certified our products.

Our salt products are fortified with the micronutrient, iodine which is an essential mineral that plays a crucial role in supporting thyroid function and overall health in concentration required for the formulation of thyroid hormones which helps bone and brain development during pregnancy and infancy, among other health benefits. This complies with NIS requirement on food-grade salt production, while also contributing to the health and well-being of our consumers.

In 2023, there was no reported incidents of non-compliance concerning the health and safety impacts of our products and services. Our assessment of these impacts is based on our overall product quality and assurance alongside requisite certifications Nascon has for its products.

Compliance with Product Packaging Labelling and Marketing Practices

GRI 417-1; 417-2; 417-3

Target 12.8, 16.3

We remain transparent when disclosing the contents of our products with the packaging labelling showing all nutritional information clearly stated in complete adherence with relevant regulatory labelling formats. For example, we comply with NAFDAC requirements that mandates us to indicate iodine content in mg/kg, expiry date/best before date as well as details of our contacts on our packaged products. We also provide our customers with comprehensive information about our products and ensure that the fortification logo indicating that our salt is fortified is strategically placed on the label. Our approach to marketing and communication is based on our culture of customer responsibility and ethical business practices. We adhere to best practices and regulatory standards while communicating the value of our goods to our customers and other stakeholders. We did not record any incidents of non-compliance concerning product and service information and labelling, and marketing communications. Hence, we did not have any penalties for such in the reporting year 2023.

2023 Key Sales & Marketing Campaigns

GRI 417-1; 417-2; 417-3; 418-1

Target 12.8, 16.3, 16.10

In 2023, Nascon continued to improve customer accessibility to products and brand visibility by committing resources to organize sales and marketing activities. We executed a total of four (4) major sales, marketing, and promotional activities in 2023. This resulted in the refined sachet category growing by 22% when compared with the previous year (2022). Also, Nielsen data revealed Dangote Salt had grown in share volume, share value and numeric distribution. In the Northern part of Nigeria, data from 2023 has shown that Nascon grew faster at 4% than the food seasoning category which declined by 4.6% when compared to the previous year. Nascon growth can be attributed to the trade interventions deployed to the North.

2023 Sales, Marketing, and Promotional Activities

Ramadan Classic Seasoning Activation

Held 27 March – 20 April 2023.
Activation across 8 locations (Abuja, Kano, Kaduna, Sokoto, Minna, Jos, Gombe & Yola).
Exclusive Ramadan lectures for women on the benefits of cooking with Dangote Classic seasoning.
Distribution of tasty meals prepared with Dangote Classic seasoning and Refined salt at break of fast.
A total of 52 central mosques were activated, 20,800 women were sampled during Tafsir, 7,800 men and children sampled at Iftaar and 5,201 combos of Classic seasoning was sold across board.

Door to Door Consumer Promo

Door-to-door unveiling of new and improved flavour across 3 locations (Kano, Sokoto and Kaduna).
30-days activation held 27 November – 26 December 2023.
Campaign reached 90,000+ Consumers/households via dry sampling and 6,237+ consumers via wet sampling.
A total of 446 cartons of Classic seasoning and 270 bags of Refined salt was sold.

Buy and Win Promo on Refined Sachet

Held in November - December 2023.
Marketing drive to boost secondary sales on refined sachet salt across the regions.
137% of target achieved - 213,578 bags of Refined salt sold compared to156,000 bags target.

Edible Salt Incentive

Held September – November 2023 across all regions.
With objective being to drive volume, initiative was successful with targets achieved.
87%, 148% and 166% targets achieved for September, October and November 2023 respectively.

Customer Service Week: Nascon joined other customer-centric organisations across the world to celebrate Customer Service Week annually, an event that holds every first full week in the month of October. During this year's week themed "TEAM SERVICE", we used the celebration to create awareness and consciousness of customer service and satisfaction among the staff members across our operations and also celebrated our customers across the regions for their patronage and commitment to the Nascon brand.

Customer Annual Feedback Surveys

Each year, we execute customer feedback and satisfaction surveys to help document our customer care performance, gauge our customers satisfaction and provide avenues for open and honest communication with all our market participants. The findings from the surveys help us do better, keep current customers and draw in new ones. In 2023, 142 customers responded to our satisfaction survey, providing ratings or customer satisfaction score (CSAT) on how happy or unhappy they are based on their experience with either our products, services or any specific interaction with the Sales Team and Field Managers.

A total of 237 complaints was recorded in 2023 compared to 175 complaints in 2022. These complaints were on diverse issues such as damages, process breach, and logistics related matters. All complaints were duly resolved with adequate corrective actions and preventive actions identified to minimize the chances of a reoccurrence. There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in the year under review. Nascon abides by the Nigerian Data Protection Act 2023 designed to protect individuals' personal data and ensure its responsible processing.

Summary of 2023 Customer Satisfaction Survey

Top Customer engagement activities in 2023

1. Refined salt Buy and Win promo
2. Sept. & Q4 Edible salt incentive drive
3. Customer service week

Our Distribution Networks – Distributors and Retailers

Nascon's products route-to-markets includes channels such as distributors and retailers/outlets, who then resells to supermarkets, wholesalers, confectioners, and small retailers or outlets. We experienced growth in 2023 of 3% in our distributor network and 7% for seasoning retailers/outlets network, while refined salt retailers/outlets network decreased by 4%.

Our Distributors' Network	2020	2021	2022	2023	Percentage Growth
Retailers/Outlets (Seasoning)	35,873	38,241	56,702	60,562	7%
Retailers/Outlets (Refined Salt)	184,579	197,444	230,729	221,326	-4%
Distributors	605	609	624	642	3%

Social Pillar

Building social bridges across communities and markets

Social Standards and Definition:

Create a learning environment and platform for our employees to grow and achieve their maximum potential, whilst adhering to the highest standard of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer, local entrepreneurial development, infrastructural development, social investments, and corporate social responsibility best practices.

Spending on social investment projects increased by 35.97%.

566 total number of health and safety training programmes, activities, or initiatives.

Zero cases of human rights and indigenous people rights violations across our operations

Social and Community Investments

GRI 413-1; 413-2

Nascon prioritizes its host communities by supporting and partnering with the community members, leaders and institutions to boost socio-economic status of the communities through direct and indirect employment, skills transfer, capacity building, local entrepreneurial development, infrastructural development, and other areas of social investments identified to have potential overall benefits to the communities. This we have done over the years and is our way of giving back to the communities while also contributing to the SDGs and Nigeria's national development plan.

Being the right partner of choice with our host communities is central to our business strategy and operating philosophy. In the reporting year of 2023, we spent a total of ₦45.23 million on social investment projects, which is a 35.97% increase compared to 2022 spending of ₦33.25 million and also represents 0.33% of our Profit After Tax (PAT) for 2023.

Host Communities Engagement

At Nascon, we acknowledge the importance of our host communities as part of our operations, hence the constant engagements with stakeholders within the communities. Compared to last year, in 2023, we strengthened our community engagement through proper dialogue, one-on-one engagements, town hall meetings, interest group communications, and surveys. We had a total of seven (7) stakeholders community engagement sessions across both Alayabiagba and Ijoko-Ota communities.

GRI 413-1; 413-2

In 2023, there was no reported case of community grievance, and we did not record any case of social incidents or disruption nor lose any man-hours to social incidents (host communities' disruption or disturbances).

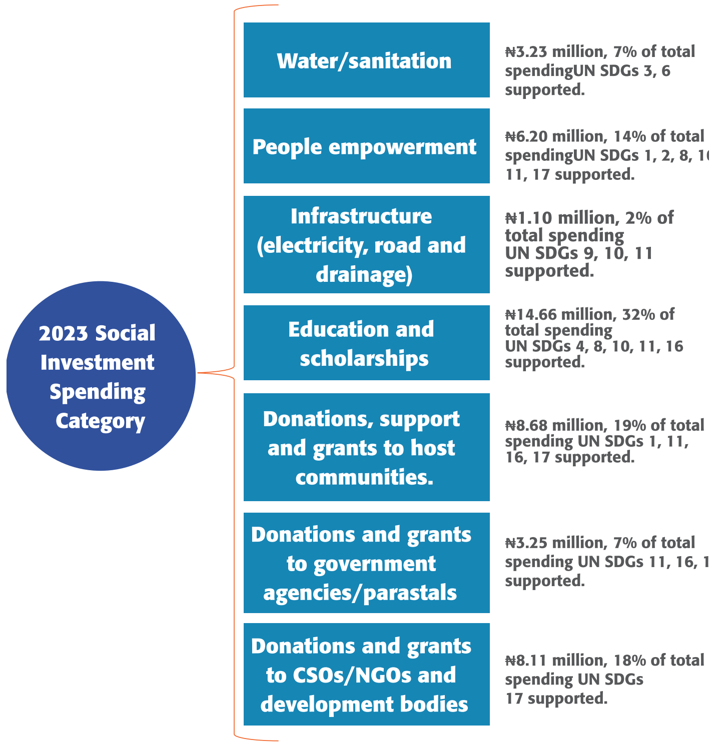
Key Social & Community Investment Projects in 2023

1.	Renovation of Oregun Secondary High School, Oregun, Lagos State.
2.	Donation of desks, white boards and board accessories to African Primary School Ijoko, Ota, Ogun State.
3.	Provision and delivery of 60 white boards and learning materials for four (4) schools in Alaiyabiagba community, Apapa, Lagos.
4.	Donation of medical equipment to Ijoko Primary Health Centre, Ota, Ogun State.
5.	Donation of medical equipment to Ajegunle Medical Centre, Ajeromi-Ifelodun LGA, Lagos
6.	Construction and installation of two (2) additional boreholes with generator set for pumping water to Alayabiagba community in Apapa, Lagos.
7.	Donation of waste collection bins to Rumuomasi State School, Community Secondary School Oyigbo and Rumuomasi Community Market in Port Harcourt, Rivers State; and Anjorin Market in Apapa, Lagos.

We have detailed some of our support provided to communities below:

Community Engagement Parameters	2023	2022	2021
Number of community stakeholder engagements	7	5	6
Number of completed community projects	7	7	2
Number of social incidents or disruptions	0	0	0
Number of hours lost to social incidents	0	0	0
Number of community grievances	0	1	1
Number of community grievances closed	0	1	1

Social Pillar



Anti-corruption, Grievance Mechanism and Whistleblowing

Nascon upholds a stringent commitment to ethical standards throughout its entire range of operations. Our code of business conduct encompasses policies that explicitly forbid any improper, unethical, or illegal activities while emphasizing the importance of conducting thorough due diligence on both our operations and partnerships. As a principle and rule, we investigate any fraud or suspected fraud without regard to the career level of the individuals involved.

Anti-corruption

Our Anti-bribery and Corruption Policy reassures our commitment to high standards of ethical conduct in all our operations and business activities. We routinely conduct risk assessments related to corruption across our operations to identify significant risks for mitigation and reduction. Also, as required, we always create awareness initiatives and training on the threats of fraud both within our organization and across our supply chain.

Grievance Mechanism and Whistleblowing

Nascon has a transparent whistle-blower system that provides a framework for reporting suspected breaches of policies regarding labour practices, anti-corruption, human rights, environmental issues, discrimination and abuse, money laundering, societal impact issues, amongst many other vices that may pose a threat to our organization and business community. The whistleblowing channel is independently managed by a third-party consulting firm (KPMG) to guarantee fairness and anonymity (https://apps.ng.kpmg.com/ethics). Our grievance mechanism includes but is not limited to identifying the actions to be taken once a complaint is detected, protecting the rights of the complaining party, identifying the whistleblowing channels, investigating details and evidence, and protective and confidentiality measures.

In 2023, Nascon did not make any political contribution (financial and in-kind) directly or indirectly in any of our operations.

Year	Number of whistle-blowing cases	[Year-on-Year] Trend
2021	3	-
2022	1	-67%
2023**	1	-67%

**The one (1) case in 2023 involved an abuse of diesel (AGO) in Ogere AGO Station. It was resolved in line with the Company's policies and procedures.

Health and Safety

Our occupational health and safety management system is guided by a comprehensive health and safety policy statement and was designed in line with requirements of ISO 14001 (Environmental Management System (EMS)) and ISO 45001 (Occupational Health and Safety Management System (OHSMS)). With the 15 Golden Rules being our key safety strategy, we perform continuous monitoring on the awareness and compliance with these Rules in order to improve overall health and safety across the organisation.

Social Pillar

Key initiatives executed in 2023 to advance safety in the workplace, Plants and fleets as shown in the table below:

	Site Operations	Fleet/ Transport Operations
Updates on compliance with the Golden Safety Rules	• Continuous follow-up on improving the awareness of the 15 golden rules. • Compliance with the Golden Rules has increased in comparison to previous years. • Employees are encouraged to report all incidents and are empowered to stop any unsafe act.	• Continuously improving awareness of the 15 Golden Rules. • Placement of the 15 Golden Rules on all Nascon Transport Trucks.
Key initiatives taken to advance safety in the workplace, plants, and fleets	• Training sessions were conducted on various safety topics. • Root cause analysis for all critical incidents and high potential near misses. • Safety town hall meeting by top management with all locations. • Sharing of incident and accident investigation learnings amongst personnel. • Quarterly assessment of fire risk. • Implementation of ISO 14001 and ISO 45001. • Improved training time due to weekly pep talks and daily toolbox talks before work in all our plants. • Increase employee involvement in safety issues by encouraging them to report incidents. • Water conservation awareness campaign as part of our SDG commitment. • Improved HSE performance award system to boost employee morale and foster participation in health and safety activities.	• Visible safety leadership and increasing the sphere of influence across the organization through regular meetings and communications on safety by executive leadership. • Extensive and comprehensive HSE competence development across Transport organizations from the executives to frontline workers to improve our safety culture. • Application of positive and negative consequence management based on performance and compliance/ noncompliance such as speed violation, harsh breaking, driving under the influence of substances. • Embedding safety in the line. Journey Managers now take ownership and act as safety champions for their teams. They are held accountable for accidents in their fleet. • Improvement of accident investigation process and follow-up of corrective and preventive actions including sharing of learnings across the company to prevent repeat incidents. • Full set up of transport training school to include defensive driving and safety trainers, the introduction of in-cabin coach for new drivers. • Training and re-training /improvement of the drivers' certification process. Introduction of training tracking cards to ensure all drivers attend at least 6 hours of safety training sessions per annum. • Introduction of fatigue management modules, health awareness and general wellness. • Initiated monthly transport stakeholder meeting by all concerned HODs. • Sustained pre and post trip briefings with all truck drivers. • Improved on monthly drivers' training to include motor boys and driver assistants. • Regular alcohol and drugs test done on drivers.

Social Pillar

Summary of health and safety performance (2021-2023)				
Types of incidents	**2021**	**2022**	**2023**	**Percentage Increase (+) or Decrease (-) [2022 vs 2023]**
Nascon Site Operation				
Total Number of Work Hours	2,867,900	3,877,771	5,460,953	41%
Total Number of Near Misses	48	12	8	-33%
Total Number of First Aid Injuries	19	39	52	33%
Total Number of Medical Treatment	1	7	7	0%
Total Number of Lost Time Injuries (LTI)	2	8	3	-63%
Total Number of Fatalities	0	0	0	-
Total Number of Staff Trained On HSE	9,010	14,447	28,225	95%
Total Number of Hours for Staff Training on HSE	226	146	464	219%
Nascon Fleet/Transport Operation				
Total number of work hours	380,091	294,096	172,094	-41%
Total Number of Near Misses	29	5	7	40%
Total Number of First Aid Injuries	1	2	-	-100%
Total Number of Medical Treatment	1	0	1	-
Total Number of Lost Time Injuries (LTI)	9	2	1	-50%
Total Number of Fatalities	0	1	0	-
Total Number of Staff Trained on HSE		938	2,759	194%
Total Number of Hours for Staff Training on HSE		2,184	2,880	32%

Health and Safety Training & Awareness in 2023	237 weekly HSE pep talks sessions.
	100 daily tool box talks sessions.
	45 editions of periodic emails on HSE Safety Alerts, HSSE Nuggets and HSSE Newsletter.
	Quarterly HSE site meetings and emergency drills.
	Monthly HSE site management tour of Plants premises.
	Monthly HSE departmental meeting (all Plant via online).
	566 total number of training programmes, activities, or initiatives (553 physical/onsite and 13 virtual/online).

Social Pillar

Diversity, Equity and Inclusion (DEI) in Nascon and Employee Rights

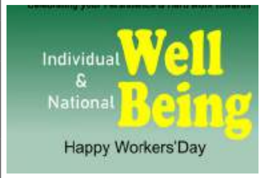
At Nascon, we understand the role diversity, equity and inclusion plays in improved work performance, creativity, and innovation. Thus, Nascon operates a system where everyone is valued, respected, engaged, and feels safe to themselves at work. We are committed to equal opportunities and do not condone any form of discrimination or harassment based on gender, ethnicity, nationality, religion, age, disability or any other characteristics protected by applicable laws. Our employee recruitment processes are based on merit with much emphasis on qualification, experience, skills, and performance. We recognize the uniqueness of opinions and the unique value that a diverse team brings.

Non-discrimination: Our Policy on Diversity and Equality prohibits discrimination of any form which could include a basis of gender, religion, tribe, ethnicity, marital status, or physical challenges. We do not condone any form of bullying, harassment, or abuse within our workforce, and we strive to encourage our business partners, third-party suppliers, providers, and contractors to embrace our non-discrimination policies.

Freedom of Association and Collective Bargaining: We recognize and respect the fundamental rights of our employees to have freedom of association and collective bargaining. We respect the rights which our employees have under local and international laws. Employees are not subjected to any detriment; they are free from threats or intimidation of any kind or form because of their involvement in legitimate trade union activities.

Child Labour and Forced or Compulsory Labour: Our commitment to the human rights aspect of our value chain, such as the proscription of child and forced/compulsory labour, fair and safe work conducts cannot be over-emphasized. We adhere to the UNGC Principles and the International Labour Organization's (ILO) Standards on labour which both condemn child labour. In the same vein, we reject all forms of forced or compulsory labour resulting in servitude, bonded labour, or slavery, both in our operations and within our supply chain. We encourage our stakeholders, both internal and external to report any suspected cases through our different channels.

Human Rights and Indigenous People's Rights: At Nascon, we respect human rights and are committed to the principles set out by the UNGC and other international organisations such as the Universal Declaration of Human Rights, International Labour Organisation's Declaration on the Four Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and UN-SDGs. In our workplace and host communities, we regard human rights as a fundamental aspect of us conducting a sustainable business.



- Diverse workplace with inclusion.
- Six (6) employees with physical disabilities across our operations.
- Zero cases of discrimination in terms of employment, promotion, training, or other areas of our value chain.
- In all our various sites and operations, no employee is covered by the collective bargaining agreements.
- Zero cases of child labour and forced or compulsory labour or related contraventions.
- Zero cases of human rights and indigenous people rights violations across our operations.

Environmental Pillar

Continuously improving on our environmental footprints

Environmental Standards and Definition:

Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimising our performance in resources utilization such as energy, water, wastes and emissions management, in line with our internal management policies and standards.

Energy consumption increased by 6.83%; energy intensity increased by 10.46%.

Natural gas accounts for 72% of our fuel mix

Zero environmental compliance fines, penalties or sanctions for non-compliance in any of our production facilities in 2023.

2023 Environmental Performance

Our strategy for improving our environmental performance and maintaining sound environmental stewardship starts from the measurement of critical aspects such as energy consumption, water consumption, waste generation, air emissions, and GHG emissions and then the overall management of these aspects for compliance and continuous improvement.

Energy Performance

GRI 302-1; 302-2; 302-3

Target Target 12.2, 13.1

Agenda 2063 The Africa we Want Aspiration 1 | Goal 7

IFRS Sustainability ISSB

IFRS S2 - Industry-based Climate-related Metrics & Targets: Energy Management

The total energy consumption across our operational plants/factories increased by 6.83% in 2023 compared to 2022, which is less than the 7.12% increase recorded between 2022 and 2021. The Salt Village Plant, which hosts the largest part of our operations accounts for 72% of the total energy consumption of 156,512 GJ for 2023. Conversely, we recorded a 44.83% decrease (from 249,734 GJ in 2022 to 137,781 GJ in 2023) in the total energy consumption by our fleet/transport operations. Diesel is the only energy source used by our fleet/transport operations for the powering of trucks used for product delivery.

As with performance management systems, continuous improvement is a key driver for sustained success. We intend to live up to the commitment by making appropriate changes in our management systems in a bid to increase operational efficiency and gradually manage the total energy consumption across our operations.

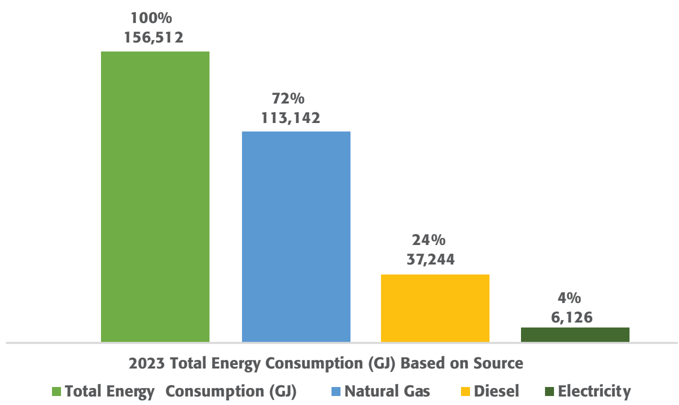
For the year under review, we used a diverse fuel mix to generate energy with natural gas, diesel, electricity from the national grid accounting for the fuel mix proportions. The Salt Village Plant accounts for the total amount of natural gas, Ota Plant accounts for all electricity from the national grid while Apapa, Oregun and Port Harcourt locations utilize diesel.

Year	2021	2022	2023
Plants			
Total Energy Consumption (GJ)	136,763	146,507	156,512
Year-on-Year Trend [Percentage + or -]	53.60%	7.12%	6.83%
Fleet/Transport			
Total Energy Consumption (GJ)	203,044	249,734	137,781
Year-on-Year Trend [Percentage + or -]	128.04%	23.00%	-44.83%

2023
Energy Intensity: 0.36GJ/ tonne of salt

+10.46%

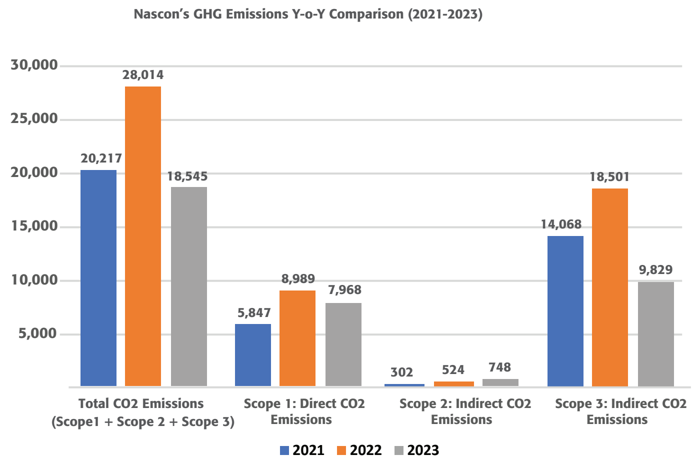
2022
Energy Intensity: 0.33GJ/ tonne of salt



GHG Emissions: Using Greenhouse Gas (GHG) Accounting Protocols, we estimated the carbon (GHG) emissions (Scope 1, 2 and 3) associated with our operations through direct conversion of fossil fuel type volume and energy generated. In 2023, Scope 1 emissions which refer to emissions resulting from energy generated from fossil fuel (natural gas, and diesel) powered generators decreased by 11.36%, while Scope 2 emissions due to purchased electricity from national grid increased by 42.75% and Scope 3 emissions attributed to fleet/transport decreased by 46.87% compared to the previous year.

Amongst all our Plants, Salt Village Plant accounts for the majority of the Scope 1 emissions (67%) because it hosts the larger part of our total production. Our Salt Village Plant was designed based on European Serra machinery design for washing, centrifuge, drying, crushing, and sieving processes. This provides opportunities for improving the energy efficiency in our operation. Optimal maintenance and replacement of depreciated fleet assets with cleaner fuel sources such as compressed natural gas (CNG) are some of the initiatives we will explore to reduce emissions.

For the GHG emission intensity, which is the gross CO2 emitted for every tonne of salt produced, there was 8.35% decrease year-on-year (from 20.06 kgCO2/tonne of salt to 18.38 kg CO2/tonne of salt) between 2022 and 2023. Gross emission here refers to the total direct emission (Scope 1) excluding transport-related emissions (logistics, pool cars, and fleet). The reduction in GHG emission intensity can be attributed to the commencement of the utilization of natural gas sources for all power-generating sets. Still an ongoing process, we believe that we would experience a further reduction in the GHG emission intensity in the coming years.



GRI 303-1 To 303-5

Target 6.3, 6.4, 6a, 6.b, 12.4 | Aspiration 1 | Goal 1,4,

IFRS S2 - Industry-based Climate-related Metrics & Targets: Water Management

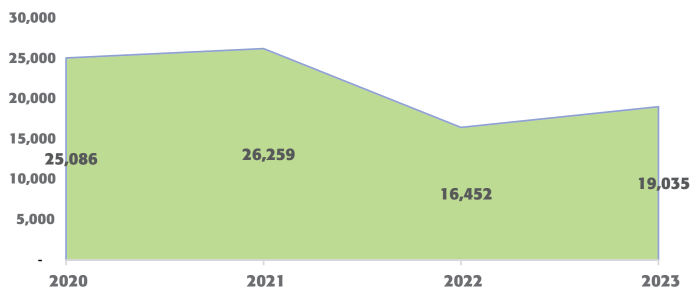
Water: In 2023, the total volume of water consumed from all production facilities was 19,035 m3 compared to 16,452 m3 in 2022, recording an increase in water use by 15.70%. We source our water entirely from the aquifer (groundwater). Though water is a renewable resource, we understand the high-water utilization requirements of salt manufacturing activities, hence responsible water use is paramount to us, just as its conservation for today and future generations is also important.

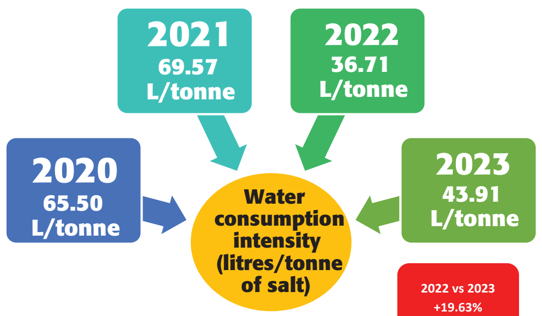
Water-related Campaigns and Initiatives in 2023

1. Replacement of standard toilets with dual flush system
2. Installation of urinals in offices and factory cloakrooms.
3. Use of automatic taps in rest room sinks

We have also continued to measure water consumption in all facilities using flow meters. None of our Plants are in any known water-stressed location, however, we understand the impact of efficient water use on us and other stakeholders such as host communities. Also, as part of the quarterly environmental compliance monitoring reports submitted by Nascon Plants to regulators, we monitor various effluent quality parameters and compare these to national and state standards to ensure compliance.

Total Water Consumption/Utilization(m3) [All Sources]





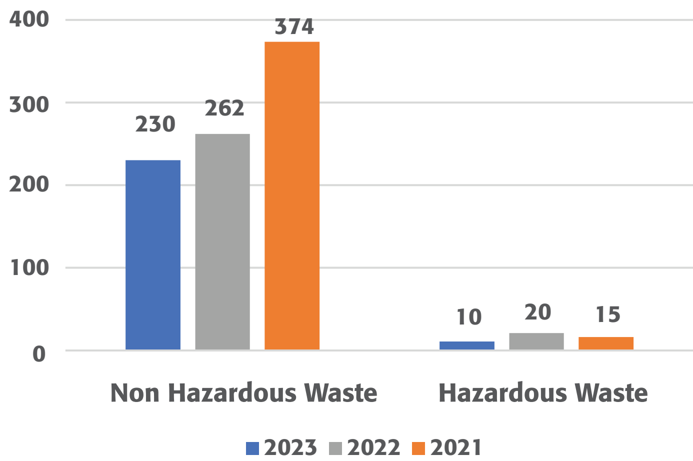
GRI 306-1 To 306-5

Target 11.6, 12.4, 12.5, 15.1 | Aspiration 1 | Goal 7

Waste: Wastes generated across the numerous production activities in our sites are dutifully categorized into hazardous (batteries, spent oil and oil filters) and non-hazardous (general wastes, poly-rolls and tyres) wastes. These are then managed and disposed-off through the most environmentally sound and cost-effective option(s) available in line with the applicable regulations of the State and National environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMENV, Lagos State Ministry of Environment - LASMOE, River State Ministry of Environment, Ogun State Ministry of Environment, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and with international standards. The hazardous wastes are managed by government-authorized & certified recyclers while the non-hazardous wastes are disposed by the government agency for waste management or third party waste managers licensed by State governments.

In 2023, we did not record any case of regulatory infractions on waste management. There was a 15% reduction in total waste generated (hazardous and non-hazardous) from 282 tonnes in 2022 to 240 tonnes in 2023.

Total Hazardous and Nonhazardous Waste Generated (Tonnes)



Air Emissions and Control Measures

Considering the potential adverse health effects associated with inhaling fine salt particles, it is crucial for us to maintain minimal emissions at all our operational facilities. We conduct daily and monthly measurements of stack dust emissions to enhance the effectiveness of our dust-trapping cyclones. The annual average of stack emissions for 2023 was 146 mg/Nm3, a reduction of 10.10% compared to 2022 (162 mg/Nm3).

Annual Average Stack Dust Emissions

2023: 146 mg/Nm3
2022: 162 mg/Nm3
2021: 136 mg/Nm3
2020: 238 mg/Nm3

Furthermore, as part of our quarterly environmental monitoring exercises, we measure air emissions such as SOx, Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), and Particulate Matter (PM) across our Plants. The values of these air emissions are routinely compared to the regulatory limits stipulated by the Federal Ministry of Environment (FMEnv.) and appropriately discussed in the quarterly environmental compliance monitoring reports prepared by Nascon's appointed independent environmental consultants.

Biodiversity Assessment, Interaction, and Protection

GRI 304-1 To 304-4

Target 6.6, 14.2, 15.1, 15.5 | Aspiration 1 | Goal 7

There was no major site expansion or construction during the reporting year that could have potentially affected biodiversity. Our existing Plants are not situated on, next to, or adjacent to High Conservation Value (HCV) or protected areas. Except for the Port Harcourt, Apapa and Salt Village plant which are leased facilities, other facilities in Oregun and Ota are owned by the company. Asides from the Apapa Plant and Port Harcourt Plant which are situated in maritime ecosystems, all others are in terrestrial ecosystems. None of our Plants has undergone a biodiversity assessment.

Furthermore, we are aware that the operations in our supply chain that entail the mining of table salt could have a considerable effect on biodiversity. As a result, we constantly educate our suppliers on ethical behaviour to lessen their influence on biodiversity and look for partnerships to support advocacy for biodiversity management. Our wastewater has little effect on aquatic life due to continuous recycling and reuse, and in event of discharge, the waste-water is properly treated in the effluent treatment plant (ETP) with applicable quality parameters assessed to be within regulatory limits prior to discharge.

Nascon's Approach to Environmental Management and Compliance

GRI 2-27, GRI 3-3, GRI 305-5

Target 16.3, 16.6 | Aspiration 3 | Goal 1,12

Environmental management and compliance are highly critical for business continuity and remaining on the positive side of the law. Our approach to environmental management and compliance is focused on reducing negative environmental impacts of our operations, preserving natural resources, facilitating awareness campaigns, and incorporating precautionary principles in our operations. In furtherance of these, we continuously execute programmes such as verifiable internal and external environmental audits, environmental compliance monitoring exercises, and environmental assessments. Our goal is to prevent environmental damage and harm to stakeholders by continuously developing and implementing robust environmental management systems that manages environmental risks and impacts associated with our operations as well as maximize the potential opportunities as applicable.

- All 54 environmental permits, accreditation, certification, or approvals secured in 2023 (100%).
- Zero environmental compliance fines, penalties or sanctions for non-compliance in any of our production facilities in 2023.

In 2023, we continued the use of flow meters, weighing scales, emissions trackers for consumption volumes measurements. Also, we continued the engagement of certified environmental auditor(s) to carry out quarterly audits of our environmental performance in line with Good International Industry Practices (GIIP), with the resultant audit report jointly reviewed by relevant National and State environmental agencies. Nascon remains committed to complying with the environmental laws within every community we operate. We had no environmental compliance fines, penalties, or sanctions in any of our production facilities in 2023.

Opportunities in Climate Change and Climate-related Scenario Analysis

GRI 2-27 GRI 3-3 GRI 305-5

Target 13.1 | Aspiration 1 | Goal 1,4,

IFRS Sustainability
IFRS S2 - Strategy
IFRS S2 - Risk Management
IFRS S2 - Industry-based Climate-related Metrics & Targets: Climate Resilience

Climate-related scenario analysis enables the companies to proactively identify, assess, and respond to climate risks and opportunities. The analysis approaches ensure the integration of climate resilience strategies into its business model, fostering long-term sustainability in a changing climate landscape.

Leveraging tools provided by the Task Force on Climate-related Financial Disclosures (TCFD), a comprehensive climate-related scenario analysis for a salt manufacturer such as Nascon reveals the common climate resilience and strategic responses to potential risks and opportunities the organisation needed to focus on. Whilst we are yet to conduct a detailed climate change risk analysis or climate-related scenario analysis, we intend to remain abreast on steps needed to include climate change mitigation, adaption, and resilience as one of many important lenses through which we assess business decisions.

Outlook and focus on climate-related scenarios	Approaches to commensurate for identified climate risks and circumstances
Physical Risks	Assessment of the company's physical risks, examining scenarios such as extreme weather events and sea-level rise impacting salt production sites. This involves evaluating infrastructure vulnerabilities and implementing adaptive measures, like resilient facility design and diversified sourcing.
Transition Risks	Analysis of transition risks associated with shifting market demands and evolving regulatory landscapes. This includes scenarios of increased demand for sustainable salt production methods and the potential impact of carbon pricing mechanisms. The company responds by investing in sustainable technologies, exploring eco-friendly salt production methods, and staying informed about regulatory developments, is also very vital.
Opportunities	Scenario analysis of opportunities arising from climate-related changes, like the growing demand for eco-friendly products. The company's strategic positioning of itself to capitalize on these trends by investing in research and development, emphasizing sustainability in its marketing, and fostering innovation in salt production techniques will also be a vital focus.

Institutional Pillar

Top 5 Stakeholder management initiatives in 2023

1. Stakeholder engagement sessions
2. Capacity building programmes
3. Feedback mechanisms
4. Customer surveys
5. Empowerment initiatives

Building a global brand that is driven by good corporate governance

Institutional Standards and Definition:

Build a world-class institution centred on corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency, effective internal controls, risk management and business continuity.

Our Stakeholders and Approach to Stakeholders' Engagement

At Nascon, we acknowledge the vital contribution of our stakeholders in realizing our sustainability goals, fortifying our corporate resilience, and cultivating positive relationships essential for business growth and success. We are dedicated to actively involving diverse stakeholder groups, such as employees, investors, shareholders, customers, suppliers, NGOs, host communities, media organizations, and others, in the pursuit of value creation that is mutually beneficial.

Over the years, we have delicately conducted our stakeholders mapping in order to gain insights into various stakeholder groups influence, interests and key concerns. This then empowers us to adequately engage these stakeholders through various interaction channels and continually address their concerns and demands on key issues as raised. Nascon's stakeholders' engagement table below lists the stakeholder groups, interaction channels, frequency, and major topics raised in 2023.

Our stakeholder categories

Stakeholder Category / Reason For Engagement	Engagement Method	Frequency	Key Topics Raised
Employees Our employees are essentially our key success factor in ensuring continuous innovation and growth, increased productivity, competitive advantage, long-term business resilience, and sustainability. Therefore, we must keep them constantly motivated through our various engagement strategies.	Meetings in small groups, one-on-one engagements, notice boards, emails, newsletters, sustainability reporting, surveys, awards, recognitions, HSE site meetings, amongst others.	As required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skills/ knowledge development, health, and safety, amongst others.
Suppliers and contractors Suppliers and contractors are a critical part of our organization's value chain, and constant engagement as valued partners keeps them inspired to deliver quality services and goods. We keep them constantly engaged to integrate our core values and principles into our business relationships.	Emails, letters, one-on-one engagements, meetings.	Regular	Requirements, products and service quality, workers' security, pricing, invoices and payments, after-sales support, and efficiency.
Distributors and customers A critical component of running a business successfully is largely hinged on relationships fostered with distributors and customers. We constantly employ appropriate engagement channels to keep our distributors and customers satisfied.	Emails, letters, visits/one-on-one engagements, meetings, customer service week.	As required	Meeting targets, value creation, ensuring production continuity, credit line, and distributors' award initiatives.

Host communities Host communities are key business stakeholders, and crucial to our business sustainability. We understand that an effective community engagement program promotes beneficial relationships and has a positive effect on the areas where we operate, and we put in a lot of effort to strengthen ties with these host communities.	One-on-one engagements, town hall meetings, community engagement initiatives, interest groups' communications, surveys, empowerment programs.	As required.	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure, and skill acquisition.
Government/Regulatory agencies Government authorities and regulatory agencies are vital in promoting sustainable development, with high power and influence to make major changes in any organisation. To comprehend their concerns, and create mutually beneficial solutions, we must collaborate with these key stakeholders.	Official letters/emails, periodic assessments, compliance filing and reporting, annual financial report, sustainability report.	As required.	Formal notices, applications, policies and regulations, compliance, tax.
Media To build brand awareness and gain recognition, media relations give a unique advantage by creating avenues to establish connections with the brand's target market. Therefore, we deploy the use of the media as a tool to achieve our desired objectives.	Press releases, media parley, sustainability report, annual financial report, conferences.	As required.	Governance restructuring, Advertisement, public service announcements, social and environmental impacts.
Financiers/Banks As capital providers, financiers/banks are particular about the transparency of an organization's business dealings. We constantly keep our financiers informed through various engagement channels.	Annual financial report, sustainability report, meetings.	As required.	Investments opportunities, loan financing, credit negotiations, interest rates.
Labour Unions We recognise the role of unions in empowering the voice of workers to express their concerns and displeasure to management, and we ensure we deploy appropriate communication strategies to engage with them.	Meetings, emails, letters, sustainability reports, courtesy visits.	As required.	Labour laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations, and benefits.
External Affiliations/Associations Forging mutually beneficial partnerships is crucial for the sustainability of any organization. At Nascon, we understand the need to engage with external affiliations and associations as joint stakeholders in sustainable development.	Letters, meetings, sustainability reports, workshops, and other forums.	Monthly, bi-annually, annually.	Membership subscriptions, partnerships, policy reviews.
Investors/Shareholders Engagement with investors and shareholders is essential to ensure transparency, keep them informed about corporate happenings and help them make smarter decisions. We ensure that we continuously keep our investors and shareholders engaged.	Annual General Meetings, investors relations forum, quarterly and annual financial reports, sustainability reports, newsletters.	Continuous .	Quality of leadership, business strategy, financial performance, dividends, corporate governance, Board composition, external reporting, ESG compliance.
Non-Governmental Organisations (NGOs)/Civil Society Organisations (CSOs) We understand the role NGOs/CSOs play as mutually beneficial partners in supporting a brand to achieve its long-term sustainability and purpose-driven corporate objectives and goals. We make sure we create channels for meaningful interaction with NGOs and CSOs.	Annual financial report, sustainability report, meetings, partnerships, courtesy visits.	As required.	Community development, environmental impacts, social initiatives, partnership for sustainable development.

Institutional Pillar

2023 Nascon Materiality Assessment and Stakeholders' Survey

GRI 2-29 GRI 3-1; 3-2; 3-3

Target 16.6, 16.7 Aspiration 3 | Goal 13 Aspiration 4 | Goal 14

IFRS S1 - Risk Management
IFRS S1 - Materiality

In compliance with the requirements of relevant global, local and industry-specific sustainability framework and regulatory standards, and in particular GRI Sustainability Reporting Standards and International Financial Reporting Standards (IFRS® Accounting Standards) Sustainability Disclosures Standards (S1 & S2), we engaged an independent sustainability consultant (Dupht Consults Limited), to execute the 2023 stakeholders' survey analysis and materiality assessment to form part of our 2023 sustainability report and provide key insights into the organisation's material sustainability issues for overall business practises and sustainability performance improvement.

The overall materiality assessment process, concluded with material topics and sustainability indicators identification, categorization, ranking and prioritization, materiality matrices development, and reporting.

4 broad staged materiality assessment process
- Survey, data collection & analysis
- Stakeholder engagements (KIIs/FGDs)
- Identify, rank and prioritise material topics + materiality matrix
- Materiality report development

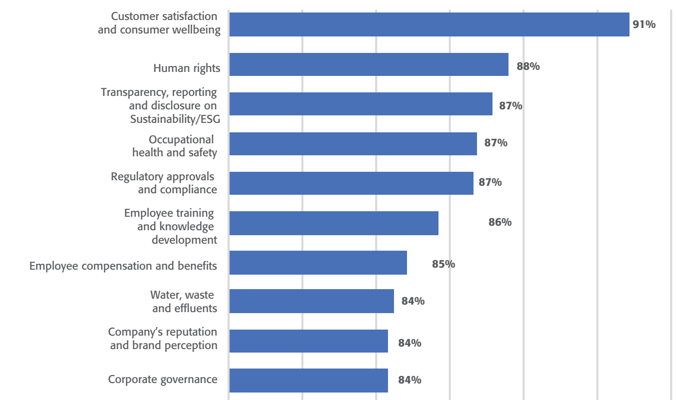
4 stakeholder groups surveyed in 2023s
- Employees
- Host communities
- Investors
- Supply chain

Employees survey
- Across all Nascon sites
- 21% increase in response [vs 2022]
- 25% female:75% male respondents

Host communities' survey
- In two (2) communities (Alayabiagaba and Ijoko-Ota)
- 58% increase in response [vs 2022]
- 78% female:22% male respondents

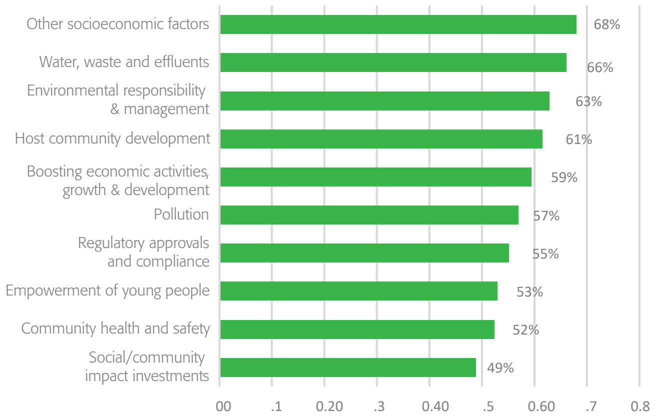
Employees: A total of 27 material topics were identified from the employees' perspectives. Below is the chart showing the top ten high-ranking material topics that are important to employees. Of all the material topics in the employee materiality matrix, 20 material topics were most critical (High rank) to employees in terms of impacts on Nascon operations, while seven (7) were moderately critical (Medium rank) and none was least critical (Low rank).

High ranking material topics important to Nascon employees in 2023



Host communities: A total of 14 material topics were identified from the host communities' perspectives. The top ten high-ranking material topics that are important to the host communities are shown below. None of the material topics in the host communities' materiality matrix were most critical. Nine (9) of the 14 material topics were moderately critical (Medium rank) to the host communities while the remaining five (5) were least critical (Low rank) to the host communities in terms of impacts on themselves and Nascon operations.

High ranking material topics important to Nascon Host Communities in 2023



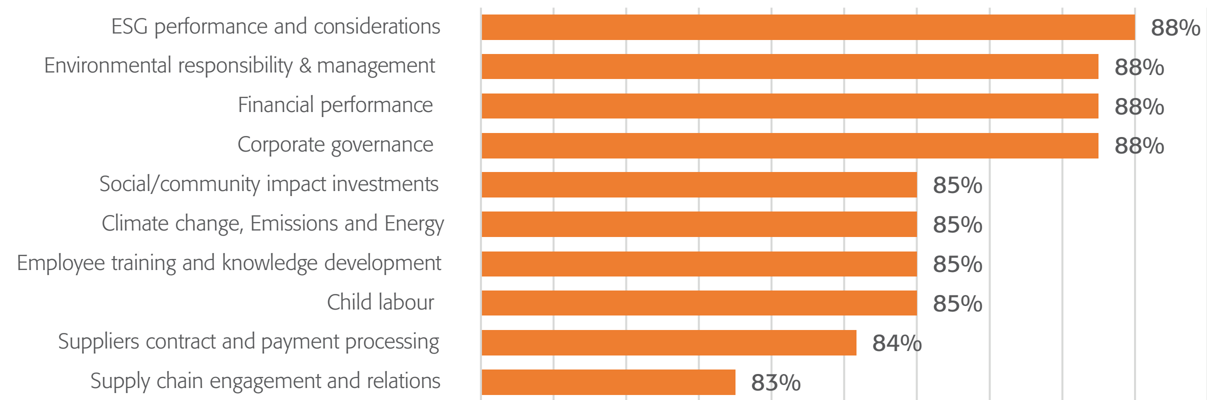
Supply chain partners: The suppliers that make up Nascon's supply chain network, as surveyed, identified a total of 20 material topics from their perspectives. The top ten high-ranking material topics that are important to suppliers are shown below. 14 out the 20 material topics were the most critical (High rank) to the suppliers in terms of impacts on their business vis-a-viz relationship with Nascon operations, while six (6) were moderately critical (Medium rank).

Investors: A total of 24 material topics were identified from these investors' perspectives. The top ten high-ranking material topics that are important to investors are shown below. Eleven (11) out of the 24 material topics in the investor materiality matrix were most critical (High rank), while 13 material topics were moderately critical (Medium rank) in terms of impacts on their investment and Nascon operations.

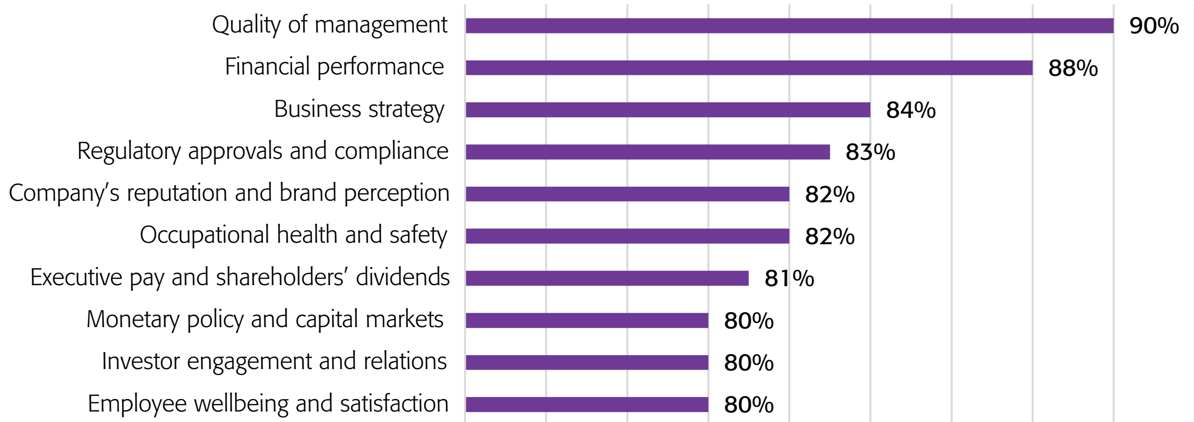
Nascon's 2023 Materiality Matrix

Material topics from our stakeholders informed the consolidated matrix for Nascon's operations. The topics shown in the materiality matrix figure are topics that have been identified as material by the key stakeholders surveyed for 2023 (Employees, Host Communities, Investors, and Supply Chain). They also reflect topics Nascon has identified as being material to its business sustainability. In line with the GRI Sustainability Reporting Standards and IFRS Sustainability Disclosures Standards (S1 & S2) reporting requirements, the identified material topics significantly influence the issues that are disclosed, carefully discussed, and addressed throughout this sustainability report.

High ranking material topics important to Nascon Suppliers in 2023



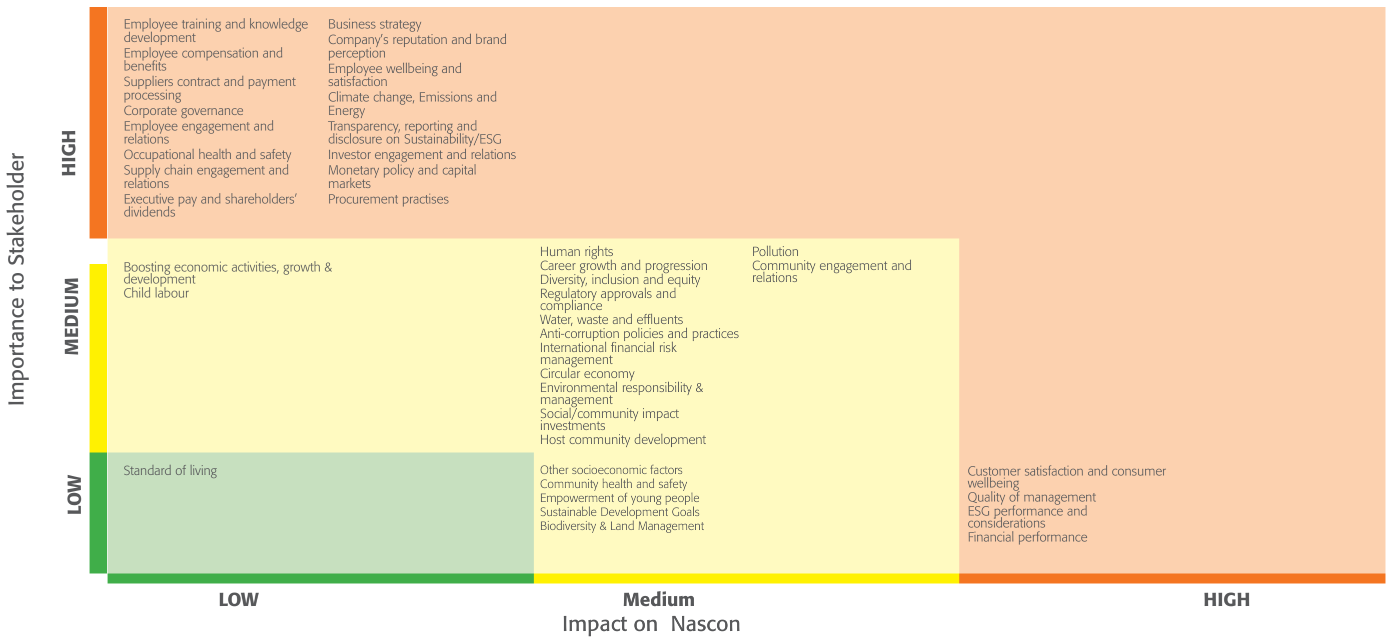
High ranking material topics important to Nascon Investors in 2023



The overall materiality assessment process, concluded with material topics and sustainability indicators identification, categorization, ranking and prioritization, materiality matrices development, and reporting.

Institutional Pillar

2023 Nascon Allied Industries Plc Materiality Matrix (Consolidated)



At the end of the materiality assessment and consolidation of each stakeholder's matrix, a total of 41 material topics were identified, only one (1) material topic was least critical (Low rank), 20 material topics were moderately critical (Medium rank) while 20 material topics were most critical (High rank) to all Nascon stakeholder groups surveyed in 2023 as part of the materiality assessment.

Progress on Nascon Strategic Priority SDGs

As a way of demonstrating our support for sustainable development at the global, national and continental levels [United Nations Sustainable Development Goals (UN SDGs), Nigeria's National Development Plan (NDP) and Africa Agenda 2063], a few years ago, Nascon decided to select and prioritize five (5) SDGs out of the 17 that closely matches its corporate goals, line of business, and sustainability agenda.

These prioritized SDGs (2, 3, 6, 12, 13) have been implemented across our operations in line with the developed integration plan endorsed by the Executive Management, with achievements in all priority SDGs clearly documented and measured. The table below shows Nascon's progress in 2023 on the implementation of these strategic SDGs based on the SDGs agenda, targets and actionable plans.

Institutional Pillar

Nascon's progress in 2023 through our priority SDGs

UN SDG & Nascon's Priority SDGs	SDG Agenda and Targets	Importance / Materiality to Nascon	Nascon progress in 2023 through our priority SDGs
Goal 2: Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Target 2.1 Target 2.3 Target 2.4	• Fighting hunger is a strong business opportunity for salt businesses. • Where purchasing power is low, hunger may also result in business failure. • Fighting hunger boosts productivity for food-related businesses.	• Sourced 59% of raw materials, goods and services locally, to boost commerce, entrepreneurship and household income. • Supported local content and prioritize the patronage of local vendors, to boost economic productivity and improve household income.
Goal 3: Good Health and Well-being	Ensure healthy lives and promote well-being. Target 3.5 Target 3.6	• There is growing resistance to salt consumption on health grounds. • There are Health & Safety risks associated with salt mining and intensive heat emissions from processing.	• Created awareness on healthy living habits and healthy use of Dangote salt. • Supported healthcare facilities in local communities as part of social investment & CSR initiatives, in line with the outcome of community needs assessment. • Product fortification with Vitamin A.
Goal 6: Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all. Target 6.3 Target 6.4	• Salt production is water intensive. • Salt emission could contaminate potable water sources. • Land degradation, loss of biodiversity, etc., are material sustainability issues in salt production.	• Supported local communities with boreholes and potable water as part of social investment & CSR initiatives, in line with the outcome of community needs assessment. • Maintained an environmentally friendly disposal of wastewater/effluents. • Applied hygienic standards in production processes, across the entire value chain.
Take urgent action to combat climate change and its impacts	Ensure sustainable consumption and production patterns. Target 12.2 Target 12.3 Target 12.5 Target 12.6	• Water consumption intensity, land degradation, and loss of biodiversity are material sustainability issues in salt production. • Waste generation such as wastewater and residue in operations and supply chain.	• Promoted responsible use of natural resources, such as water. • Ensured best practices in sourcing and processing of raw materials, chemicals, packaging of products and waste management. • Ensured operational efficiency and health and safety best practices across the production chain.
Take urgent action to combat climate change and its impacts. Target 13.2	Take urgent action to combat climate change and its impacts. Target 13.2	• Carbon Emissions from production activities contribute to climate change. • Intensive heat and salt dust in production.	• Complied with all applicable environmental laws and regulations and mitigate negative environmental impacts. • Integrate climate change mitigation considerations into key operational strategies and planning. • Commenced implementation of a Code for entrenching best ESG practices in the supply chain.

Institutional Pillar

ESG and Other Regulatory Compliance

Nascon has developed several policies as part of the organisation's commitments to responsible business conduct; and has implemented or embedded these policies throughout our activities and business relationships, including organizational strategies and operational procedures. Regulations and best practices of social responsibility, labour conditions, human rights., workplace safety, environmental protection, and transparency are integrated into all aspects of our standard operating procedures (SOPs) and serve as a guide to shape our policy formulation decisions.

Furthermore, Nascon is in compliance with national ESG regulatory requirements such as the Nigerian Code of Corporate Governance, the SEC Code of Corporate Governance and the NGX Sustainability Disclosure Guidelines.

In 2023, we did not incur any fines/penalties for ESG (environment, social and governance) and regulatory non-compliance. Nascon was involved in eight (8) litigation cases in 2023, which relate to tax, contract, accident, labour and land matters.

Nascon is aligned with some of the ESG related principles, guidelines and regulations such as:

Association and Membership

Nascon is a member of the Manufacturing Association of Nigeria (MAN), Lagos Chamber of Commerce & Industries (LCCI), Nigeria Employers Consultative Association (NECA), and the Association of Food, Beverage and Tobacco Employers (AFBTE). In addition, through commitments made by our parent company - Dangote Industries Limited – Nascon supports the World Economic Forum (WEF) and the United Nations Global Compact (UNGC), and as such, reflect some of the UNGC's principles into its reporting disclosures.

ESG Awards and Recognition

GRI 2-23, 2-24, 2-26, 2-27

Target 16.3, 16.6, 16.7 | Aspiration 3 | Goal 11,12

IFRS S1 – Governance
IFRS S1 - Strategy
IFRS S1 - Risk Management

In recognition of our excellent ESG practices in the year 2023, Nascon bagged the 2023 CSR REPORTERS' Social Impact and Sustainability Awards (SISA). The award was to recognize and honour dedicated commitments of organisations that have integrated globally recognized and measurable sustainable development standards such as ISO 26000 Social Responsibility within their business operations. The SISA recognition alongside another by Nigeria Safety and Security Watch (NSAS) was also a testament to our commitment on safety compliance and contributions to safety & security in the country.

Institutional Pillar

Governance: Roles, Composition and Diversity

GRI 2-9 To 2-21

Target 5.5, 8.5, 8.8, 10.3, 16.6, 16.7 | Aspiration 3 | Goal 11,12 | Aspiration 6 | Goal 17,18

IFRS S1 – Governance
IFRS S1 - Strategy
IFRS S1 - Risk Management

Nascon's Board of Directors is the highest governing body and has the responsibility for decision-making on several issues about stakeholders' value creation, financial performance, strategic plans, risk management practices, and governance structures, among others.

The Board consists of 10 members in total, being one (1) Chairperson/Independent Director, one other Independent Director, one (1) Executive Director and seven (7) Non-Executive Directors. Apart from the Chairperson and the Executive Director, each director belongs to at least one Board Committee. The Establishment and General Purpose Committee is tasked with oversight on sustainability and ESG matters. All Directors make sure they abide by the Conflict of Interest and Related Party Transaction Policy, Code of Business Conduct, Code of Governance and other related polices as explained in the Corporate Governance Report section within the Annual Report.

The Board's performance evaluation is usually done by an independent consultant and the remedial actions recommended are presented to the Board. Nascon abides by its legal obligations on Board remuneration and compensation as provided by the Companies and Allied Matters Act (CAMA), 2020, and the NGX Rulebook. The Directors' remuneration has been stated in our Financial Statements within the Annual Report.

Board
10 Board members.
60 years Average Age.
40% Women (4), 60% Men (6).
20% Independent Directors (2 out 10).
8 Nigerian, 1 Norwegian, 1 South African.
No change in Board membership in 2023.

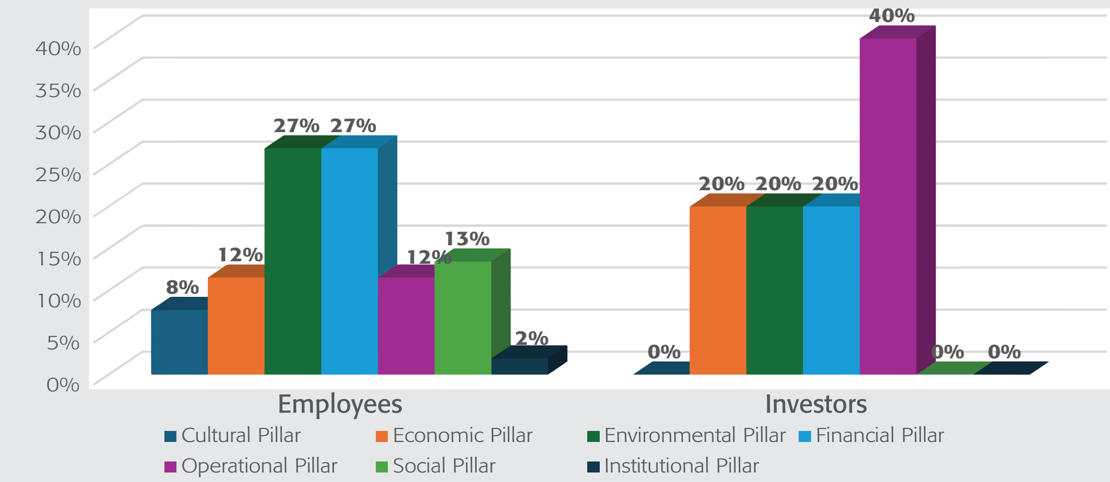
Nascon's management team members are professionals with various job roles; who have been delegetd with the responsibility for managing the day-to-day operations and activities of the company. They report to the Managing Director with oversight reports to the Board through various Committees. The team reflects our culture of inclusion and diversity across gender, age group, nationality, culture, educational background and professional experiences.

Executive & Senior Management
48 years Average Age.
23% Women (5), 77% Men (17).
22 Professionals with dedicated roles and responsibilities, and diverse backgrounds and experiences.

Employees and Investors:

All the investor respondents (100%) affirmed reading our 2022 Annual Financial and Sustainability report and said it meets their ESG performance expectations (100%). While only 46% of the employee respondents said they read the report.

Sections of the 2022 NASCON Annual Financial and Sustainability Report most interests Employees and Investors



Financial Pillar

Delivering strong and sustainable returns

Financial Standards

Our Financial Pillar aims to achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies where we operate, by producing and selling high-quality products at affordable prices, supported by excellent customer service.

Financial Highlights	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Total Revenue	80,828,373	58,786,251
Gross Profit	44,318,786	24,542,319
GP Margin (%)	55%	42%
EBITDA*	23,118,281	11,744,038
EBITDA Margin (%)	29%	20%
Operating Profit	21,096,069	8,674,482
Profit Before Tax	20,588,259	8,374,191
PBT Margin (%)	25%	14%
Net Profit	13,728,369	5,469,248
Earnings per share (₦)	5.18	2.06
Proposed Dividend per share (₦)**	1.00	1.00
Net Cash & Cash Equivalents	25,574,324	12,967,640
Total Assets	83,591,991	55,530,771
Total Equity	27,471,858	19,042,366

*Earnings before interest, taxes, depreciation and amortization

**Interim dividend declared and paid on 17 November 2023

"Total revenue increased by 37% to ₦80.83 billion from ₦58.79 billion in 2022 with 2023 Salt revenue growth of 41% to ₦75.59 billion from ₦53.50 billion in 2022"

Chief Financial Officer's Review

Revenue by Product	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Salt	75,594,480	53,495,266
Seasoning	5,233,893	5,290,985
Total Revenue	**80,828,373**	**58,786,251**

2023 was marked with various macroeconomic challenges and we demonstrated our resilience with the remarkable revenue and strong performance. We maintained our market share and increased total revenue by 37% to ₦80.83 billion {2022: ₦58.79 billion}. Salt revenue increased by 41% to ₦75.59 billion {2022: ₦53.50 billion} while Seasoning revenue remained relatively flat at ₦5.23 billion {2022: ₦5.29 billion}. The revenue growth was due to prior year strategic pricing actions driven by increased input costs. Salt contributed 94% of revenue while Seasoning contributed 6%.

"Regional distribution of our revenue to the East, West and North were 6%, 21% and 74% respectively"

Revenue by Region	31-Dec-23 ₦'000	31-Dec-22 ₦'000
East	4,704,923	3,477,803
West	16,578,364	14,199,742
North	59,545,086	41,108,706
Total Revenue	**80,828,373**	**58,786,251**

Financial Pillar

"Gross profit improved to ₦44.32 billion with the increased margin of 55% for the year"

Cost of Sales	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Direct material cost	31,372,245	30,451,330
Direct labour cost	1,444,488	978,799
Depreciation	877,264	807,469
Manufacturing expenses	2,815,590	2,006,334
Total Cost of Sales	**36,509,587**	**34,243,932**

Combined production efficiency for the year was 86% {2022: 86%}. Salt production efficiency in all 3 plants (Salt Village, Apapa and Port-Harcourt) was 86% {2022: 86%} while Seasoning production efficiency was 52% {2022: 64%} due to maintenance activities. There was no production of Tomato Paste in the year as the plant remained mothballed.

Cost of Sales for the year increased by 7% to ₦36.51 billion {2022: ₦34.24 billion} driven by a 5% growth in Salt costs and a 27% growth in Seasoning costs. Tomato Paste depreciation costs were flat year on year.

Direct material costs increased by 3% compared to 2022 due to naira devaluation affecting all raw material costs. Direct labour costs grew by 48% from salary adjustments in the year. Manufacturing costs increased by 40% driven by energy costs and maintenance of our production equipment across all plants.

Gross profit for the year improved by 81% to ₦44.32 billion {2022: ₦24.54 billion} with Gross profit margin for the year of 55% {2022: 42%}.

Administrative and Distribution Expenses	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Administrative Expenses	4,706,955	3,142,912
Market Activation	430,476	339,636
Branding Expenses	415,426	252,375
Delivery Expenses	18,142,678	11,446,505
Total Operating Expenses	**23,695,535**	**15,181,428**

Administrative expenses grew by 50% to ₦4.71 billion {2022: ₦3.14 billion} mainly driven by increased employee costs. Market activation expenses increased by 27% to ₦0.43 billion {2022: ₦0.34 billion} due to targeted market activations and deepening our route to market strategies. Branding expenses increased by 65% to ₦0.42 billion {2022: ₦0.25 billion} due to targeted consumer engagements in specific markets.

Delivery expenses grew by 58% to ₦18.14 billion {2022: ₦11.45 billion} driven by increased costs of third-party transportation, AGO, repairs and maintenance. The additional hiring of third-party transporters was required to mitigate the transportation challenges we faced and to guarantee timely delivery of all our products.

Financial Pillar

"Operating profit for the year increased by 143% to ₦21.10 billion from ₦8.67 billion in 2022"

Profitability	31-Dec-23 ₦'000	31-Dec-22 ₦'000
EBITDA	23,118,281	11,744,038
Other Income	194,305	124,293
Other Operating Gains/(Losses)	267,500	(794,555)
Depreciation and amortization	(2,484,017)	(2,399,294)
Operating Profit	**21,096,069**	**8,674,482**

Earnings before interest, tax, depreciation, and amortization (EBITDA) grew by 97% to ₦23.12 billion {2022:₦11.74 billion} with a margin of 29% {2022: 20%}. Operating profit for the year improved by 143% to ₦21.10 billion {2022: ₦8.67 billion} with Operating profit margin for the year of 26% {2022: 15%}. The main driver for the improved operating profit in 2023 was revenue growth year on year from strategic pricing actions made in the prior year to mitigate increased input costs.

Interest received	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Interest income on bank balances	4	136
Interest income on short term fixed deposits	927,494	394,402
Interest received	**927,498**	**394,538**

Interest paid	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Interest on borrowings	1,045,374	126,714
Interest on lease liabilities	389,934	568,115
Interest paid	**1,435,308**	**694,829**

Interest received grew by 135% to ₦0.93 billion {2022: ₦0.39 billion} as we focused on investing our increased proceeds in the year. Interest paid were ₦1.44 billion {2022: ₦0.69 billion} driven mainly by interest on borrowings of ₦1.05 billion {2022: ₦0.13 billion} and lease liabilities of ₦0.39 billion {2022: ₦0.57 billion}. The borrowings relate to drawdowns on our usance facilities at the bank. The average effective interest rate during the year was 13.1%.

"The profit before tax increased by 146% to ₦20.59 billion and net profit improved by 151% to ₦13.73 billion"

Profit after Tax	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Profit before Tax	20,588,259	8,374,191
Income Tax Expense	(6,859,890)	(2,904,943)
Profit after Tax	**13,728,369**	**5,469,248**

Financial Pillar

The Profit before tax increased by 146% to ₦20.59 billion {2022: ₦8.37 billion} with a margin of 25% {2022: 14%}. Tax expense for the year grew by 136% to ₦6.86 billion {2022: ₦2.90 billion}. The effective tax rate was 33% {2022: 35%}. The Profit after tax for the year improved by 151% to ₦13.73 billion {2022: ₦5.47 billion} with a margin of 17% {2022: 9%}. This resulted in an 151% growth in Earnings per share in 2023 of ₦5.18 compared to ₦2.06 in 2022.

"Total equity improved by 44% to ₦27.47 billion compared to ₦19.04 billion prior year"

Financial Position	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Property, plant and equipment	12,097,461	12,468,851
Right of use assets	4,124,988	3,894,704
Other Current assets	41,756,648	26,161,006
Cash and cash equivalents	25,612,894	13,006,210
Total Assets	**83,591,991**	**55,530,771**

	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Borrowings	38,570	38,570
Lease Liabilities	3,893,818	3,701,309
Other non-current liabilities	2,527,995	2,258,967
Current liabilities	49,659,750	30,489,559
Total Liabilities	**56,120,133**	**36,488,405**

	31-Dec-23 ₦'000	31-Dec-22 ₦'000
Share capital	1,324,719	1,324,719
Share premium	434,037	434,037
Retained earnings	25,713,102	17,283,610
Total Equity	**27,471,858**	**19,042,366**

Total assets increased by 51% to ₦83.59 billion {2022: ₦55.53 billion}. Cash and Cash Equivalents and Other Current assets predominantly drove this increase. Cash and cash equivalents increased by 97% to ₦25.61 billion {2022: ₦13.01 billion}. Other Current assets growth were driven by Inventories at year-end of ₦11.17 billion {2022: ₦8.27 billion} and Trade and other receivables of ₦27.71 billion {2022: ₦11.64 billion} related to the naira devaluation.

Total liabilities increased by 54% to ₦56.12 billion {2022: ₦36.49 billion} primarily driven by a 63% increase in Current liabilities. Current liabilities growth were driven by Trade and other payables of ₦30.93 billion {2022: ₦20.18 billion} related to the naira devaluation. Total equity improved year on year by 44% to ₦27.47 billion {2022: ₦19.04 billion} mainly driven by 49% increase in Retained earnings of ₦25.71 billion {2022: ₦17.28 billion}.

Financial Pillar

"The Board declared and paid an interim dividend of ₦1.00 per share for the year amounting to ₦2.65 billion"

Interim dividend and proposed bonus issue

During the year, the Board of Directors declared an interim dividend of ₦1.00 per share {2022: ₦1.00} paid to shareholders amounting to ₦2.65 billion {2022: ₦2.65 billion}. The interim dividend was paid on Friday 17th of November 2023. The dividend was determined by improved profitability in 2023 while simultaneously considering the impact of naira devaluation, trade and other liabilities and the capital expenditure requirements in 2024.

On Tuesday 27th of February 2024, the Board of Directors proposed a bonus issue in respect of the year ended 31st of December 2023 amounting to 52,988,767.56 ordinary shares to be distributed as fully paid-up ordinary shares to existing shareholders whose name appears in the Register of Members as at the close of business on Monday 6th of May 2024, in the proportion of one (1) new ordinary share of 50 kobo to every fifty (50) existing ordinary shares held by them and subject to approval at the Annual General Meeting on Thursday 23rd of May 2024.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the financial statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Company's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Company generates sufficient cash flows to fund its operations.

Aderemi Saka
Chief Financial Officer

“Managing risk and uncertainty is integral to the successful delivery of our strategy and supports our desire to grow a sustainable and resilient business”

Risk Management Report

At Nascon Allied Industries Plc (Nascon), we recognize that navigating business uncertainties is inherent to our operations, and it is through a structured approach to risk management that we can safeguard our strategic objectives and drive sustainable growth. Despite facing ongoing challenges, including the significant increase in energy costs, global inflationary trends, multiple currency devaluations, and international supply chain disruptions, our performance underscores the resilience embedded within our people, business model, and track record of delivery through uncertainty.

Under the oversight of the Board, which holds ultimate responsibility for risk management and setting the Group’s risk appetite, Nascon has implemented a robust risk management governance framework. This framework enables us to systematically identify, assess, and prioritize both principal and emerging risks. Through proactive risk mitigation strategies, we ensure that risks are managed within our defined appetite levels, thereby safeguarding the interests of our stakeholders, and enhancing the long-term sustainability of our business.

Our Approach to Managing Risk

In alignment with the risk management framework of the Dangote Group, Nascon has instituted a comprehensive process equipped with the requisite information, capabilities, and tools to effectively manage our key risks. Our approach incorporates qualitative and quantitative methodologies, including Risk and Control Self-Assessments, Key Risk Indicator Monitoring, and Loss Incident Reporting, to diligently oversee our risk landscape. Furthermore, we conduct ad-hoc, on-site assessments or incident evaluations in response to unexpected high-risk scenarios.

To facilitate the identification, quantification, management, and monitoring of risk exposures, we have established key processes:

Risk Identification: We firmly believe that effective risk management is a collective effort. Thus, risk identification is ingrained within our business process planning, change procedures, and development of new product lines or market expansions. This iterative process ensures continuous vigilance. All identified risks are categorized into four types to aid proper risk classification.

Risk Type	Definition
Business Continuity	The potential for serious incidents to affect critical operations of Nascon and thus cause loss of business and/or reputational damage.
Operational Risk	The potential for risks arising from the failure of people, processes, or technology or the impact of external events.
Financial Risk	The potential losses arising from financial risks such as counterparty defaults, adverse market price movements, liquidity (funding) issues and taxation issues.
Business and Strategic Risk	The potential for damage to the brand and loss of earnings resulting from stakeholders taking a negative view on Nascon.

Risk Analysis: Upon identification, thorough analysis is conducted, and relevant stakeholders are promptly informed. The nature of analysis varies depending on the risk type and applicable policies. For example, assessing credit risk involves financial analysis of counterparties, transaction structure analysis, and forecasting exposure movements.

Risk Evaluation: Once risks have been Identified and analyzed, they must be evaluated to determine the degree of impact i.e. evaluated in view of their potential severity and likelihood of occurrence using a standardized approach. Management information systems are in place to allow the risk information to be used by those managing risk and business on a day-to-day basis and also, at a suitably aggregated level, for senior management to understand and challenge process owners. Management information presented to senior management enables the identification of concentrations and related activities that occur across our plants

Risk Treatment: Upon evaluation of the risks, controls are implemented to ensure that these risks remain within our risk appetite. Controls usually take the form of limits on exposure or to riskier types of business activities.

Risk Management Report

Risk Monitoring: To ensure effective oversight of our exposures, we utilize various quantitative monitoring tools, including models and Key Risk Indicators (KRIs). These tools are closely monitored alongside associated losses, ensuring the efficacy of implemented controls in mitigating identified risks.

Risk Reporting: The Risk Management Department plays a pivotal role in providing independent risk measurement and reporting to ensure transparency and support the Executive Management and Board in fulfilling their duties effectively. This encompasses the following responsibilities:

- Collating, consolidating, analyzing, and evaluating risk-related data sourced from Plants and Support Units.
- Providing financial data and pertinent operational business information for regulatory, external, and internal reporting purposes.
- Implementing risk calculation and allocation methodologies for financial risks, alongside other risk measurement methodologies for operational risks.
- Offering a dedicated risk-specific reporting and tracking tool to augment the Risk Management processes.

Nascon's Risk Management Governance Structure

The Board
- Set and approve overall risk management framework
- Regularly review Nascon's key exposures and approve mitigation action plans
- Provision of strategic direction for the business and determining the risk appetite
- Assess the organisational effectiveness via the audit function

Senior management
- Provide oversight and assurance of the Enterprise Risk Management Framework
- Determine mitigating action plans to manage identified risks
- Allocate risk acceptance limits for all business operations and activities
- Regularly monitor the adequacy of risk mitigation plans

Business units 1st Line of defense	Internal Control 2nd Line of defense	Risk Management 2nd Line of defense	Internal Audit 3rd Line of defense
Identify and manage risk exposures at the job function level	Define internal control policies	Develop and promotes Enterprise Risk Management framework to ensure effective management of risk	Provide independent assurance of the effectiveness of the effectiveness of the group's risk management and internal control framework

The Nascon Accountability Matrix

Our approach to ensuring effective risk management accountability is a commonly used methodology for managing risk – "The 3 Lines of Defense". The objective of the three lines of defense is to ensure that an independent system of checks and balances is in place to minimize unexpected losses (financial or otherwise). This is achieved by clearly defining roles and responsibilities for the management of risk between the Executive Management, Risk Management and Internal Control functions, with each of these working together but ultimately operating independently from each other.

Risk Appetite

At Nascon all decisions must balance risk and reward to ensure all activities are economically profitable after due consideration of risk. Nascon's risk appetite is always considered when making such decisions. Our Board has responsibility for determining the level of risk that will be taken. The Board determines the overall strategic direction for the business and, as part of this process, determines the Group's risk appetite. The risk appetite of the organisation defines the level of risk we are willing to take as a business for the different risk types, whilst considering varying levels of financial and non-financial stress factors.

Risk appetite is key for our decision-making process, including business planning, operations, new product reviews and approvals alongside business change initiatives. The year under review saw the Risk Management function commence the process of quantification of the risk appetite statement hinged on converting Nascon's qualitative risk appetite statement to a series of metrics hence translating specific value drivers into a series of limits and tolerance levels for different levels of impact classification ranging from Insignificant to Catastrophic.

Continuous Development Initiatives

At Nascon, every decision undergoes rigorous evaluation to balance risks and rewards, ensuring economic profitability while accounting for potential risks. Our risk appetite is a cornerstone in this decision-making process, guiding us in determining the acceptable level of risk across various aspects of our operations. The Board holds the responsibility for establishing the organization's risk tolerance, aligning it with the overall strategic direction set for the business.

The determination of our risk appetite involves careful consideration of both financial and non-financial stress factors, reflecting our commitment to prudent risk management. This framework informs decision-making across the spectrum of our activities, from business planning and day-to-day operations to evaluating new products and implementing business change initiatives.

In the past year, we continued on our resolve in the quantification of our risk appetite statement, marking a significant milestone for our Risk Management function. This involved translating our qualitative risk appetite statement into tangible metrics, enabling us to precisely gauge our risk exposure. By defining specific limits and tolerance levels for different levels of impact classification, ranging from Insignificant to Catastrophic, we enhance our ability to proactively manage risks and optimize performance across the organization. This structured approach ensures that risk management remains an integral part of our business strategy, driving sustainable growth and value creation for our stakeholders.

Principal Risks

The Risk Management process at Nascon plays a vital role in identifying and prioritizing risks through collaborative discussions

and workshops involving Executive Management and business leaders, facilitated by the Risk Management function. Throughout the year, significant risks undergo comprehensive review through a dual approach, encompassing both bottom-up and top-down assessments at the business unit and location levels, ensuring comprehensive awareness and appropriate prioritization.

Risks deemed capable of significantly impacting the performance, prospects, or reputation of the Group are classified as principal risks. These risks are meticulously aligned with the Group's strategic objectives, emphasizing their criticality to our overarching goals. Detailed documentation of Nascon's principal risks is meticulously maintained in the risk register of the business, ensuring transparency and accessibility for all stakeholders.

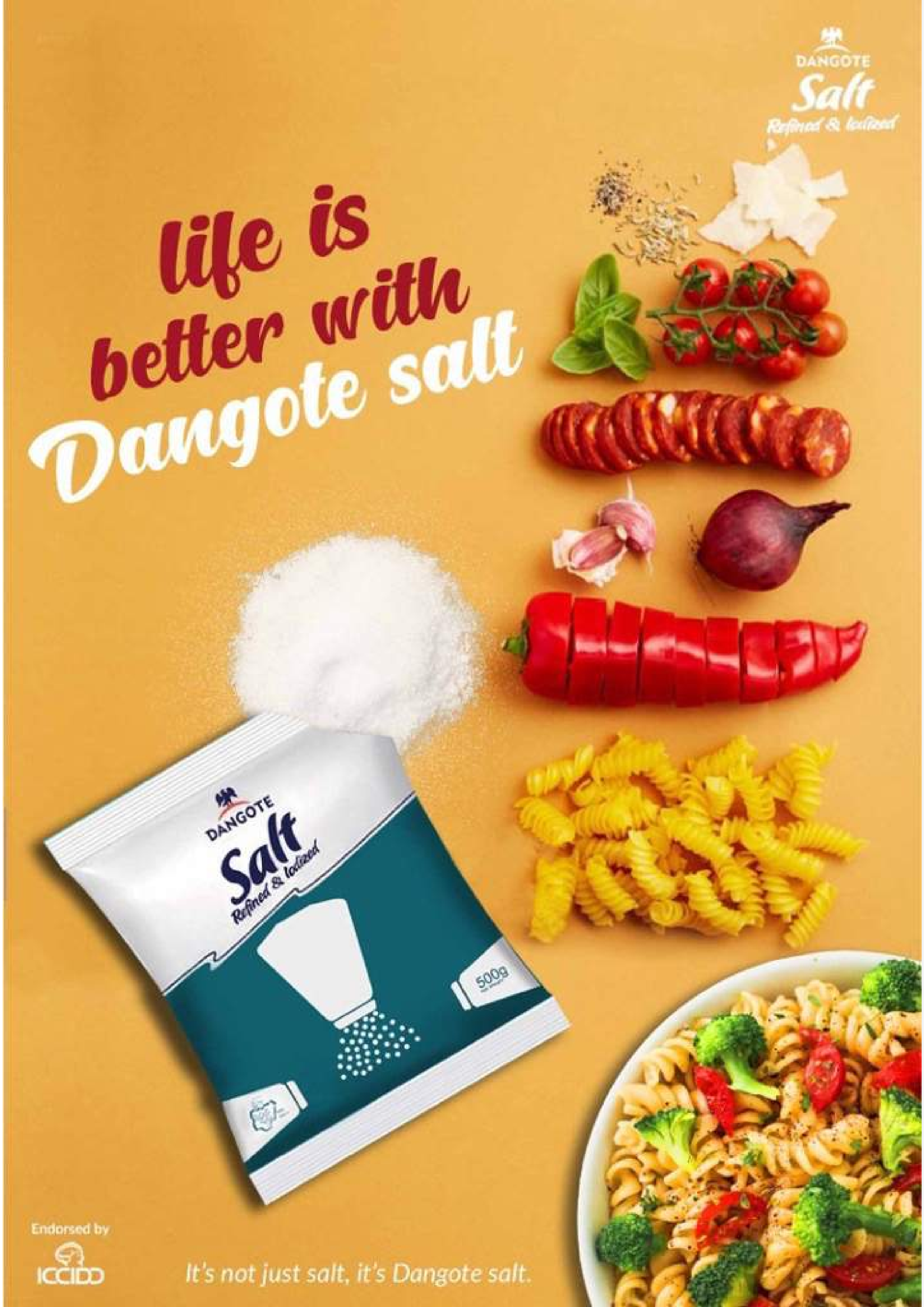
The Board Finance, Risk and Audit Committee conducts quarterly reviews of each principal risk, ensuring ongoing vigilance and proactive mitigation measures. In addition to our inherent business risks such as foreign exchange, interest rates, and liquidity risks, we have identified and outlined nine principal risks that have the potential to significantly affect Nascon. Proactive measures have been implemented to mitigate each of these risks, safeguarding the interests of our stakeholders and fortifying our resilience in the face of uncertainties.

	Risks	Risk Description	Potential Impact	Mitigation Plan
1	Devaluation of The Naira	The downward adjustment in the value of the Naira, relative to other foreign currencies.	Adversely impacting the profitability of businesses reliant on imported goods or foreign currency-denominated transactions, potentially affecting revenue streams, margins, and overall financial performance.	• Implementing hedging mechanisms. • Enhancing cost efficiencies. • Diversifying currency exposures. • Closely monitoring macroeconomic indicators and government policies.
2	Production Shutdown	Risk of production shutdown arising from non-availability of spares due to lack of FX for spares procurement.	Loss of market share and brand confidence from possible low production output.	• Working closely with the in-country regulator of the financial services sector for the sourcing of FX to fund import requirements. • Constant engagement with Commercial Banks to fund import requirements through LC from their FX allocation.
3	Political Risk Exposures	Vulnerabilities or threats that could compromise the safety, integrity, confidentiality, or availability of an organization's assets, including physical assets, information, data, personnel, and reputation.	Possible disruption of production and distribution of finished goods.	• Regular review of Business Interruption and GIT Cover • Regular review of distribution routes.
4	Macro-Economic Risks	Possibility that the Nigerian economy would fall back into recession.	Renewed downturn would have negative effects on disposable income of consumers.	• Continuous review of costs to ensure the ability to absorb market fluctuations.

5	Poor Market Growth	New businesses and proposed expansion do not hold their growth prospect or develop as predicted.	• Negative impact on revenues, cash flows and profitability sustainability.	• Ensure a regular opportunity and portfolio financial review to monitor investment and cash allocation across our businesses. • Target market leadership where we play. • Focus on industries where reach is strong.
6	Loss of Market Share	Change in the business dynamic, whereby a competitor's product may lead to loss of competitive advantage.	• Negative impact on revenues, cash flows and profitability sustainability. • Inefficient distribution of physical, personnel and financial resources.	• Leverage on customer feedback, balancing short-term improvements with longer-term solutions. • Promoting agility, benchmarking and quick market responses.
7	Decline in Product Quality & Service Delivery	Technical requirements becoming more complex, and demanding with increase in customer base and preferred specifications.	• Potential reputational damage. • Loss of market share.	• Continuous review and stress testing of our refining process. • Continuous customer engagement to ensure feedback is acknowledged and addressed.
8	Inability to Retain Best Talent	Inability to retain and motivate the best people with the right skills, at all levels of the organization due to activities of competition.	• Inability to attract, develop and retain highly qualified management and suitably skilled employees, particularly to address our expansion initiatives. • Shortage of appropriately skilled manpower.	• We have established a robust training, development, performance management and reward programmes to retain, develop and motivate our people. • Development of a succession plan for senior management positions.
9	Health & Safety Risk	Exposures resulting from unsafe acts both within and outside the premises.	• Increased insurance premiums. • Increased legal risk exposure.	• Nascon has instituted policies, procedures, and standards in place to ensure compliance with legal obligations and industry standards. • All Management meetings feature Health & Safety updates. • Health & Safety Performance indicators have been included for both production and non-production related roles.

Kunle Ushie

Ayokunle Ushie
Head, Risk Management



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Independent assurance report on selected sustainability performance indicators published in the Nascon Allied Limited ('Nascon) Sustainability Report, for the year ended December 31, 2023.

To the Directors
NASCON Allied Limited
15b, Ikosi Road, Oregun
Ikeja
Lagos

Basis of our work and level of assurance

Nascon Allied Limited has engaged us to perform an independent limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000 (Revised) and International Standard on Assurance Engagements 3410 ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Objectives and scope of work performed

This report has been prepared in accordance with the terms of our engagement letter to provide limited assurance on selected sustainability performance indicators (the "Indicators") published by Nascon Allied Industries Plc ('Nascon), (the "Company") on its 2023 Sustainability Report (the "Report"), for the year ended December 31, 2023. The following lists the chosen sustainability performance metrics that are under our assurance purview and appear on different pages/sections of the report. The company's management has defined and chosen these indicators.

7 Sustainability Pillars	Selected Sustainability Information (as documented in the 2023 Sustainability Report)	Criteria	Page No
Institutional	In recognition of our excellent ESG practices in the year 2023, we had the privilege of receiving the 2023 CSR Reporters Social Impact and Sustainability Awards (SISA).	GRI 2-28	66
	Our Board of directors comprise a combination of six (6) men and four (4) women, representing 60% and 40% of the total membership respectively with the average age being 60 and 10 Board members.	GRI 2-9 GRI 405-`1	67
Cultural	In 2023, we had a total of 990 employees, which represented a 10.21% increase from 911 in 2022.	GRI 2-7 GRI 2-8 GRI 405-1	26
	The total number of employees comprised of 673 (68.33%) permanent employees and 317 (31.57%) temporary employees.	GRI 2-7 GRI 2-8 GRI 405-1	26
	A breakdown of our 2023 employee numbers on the 2023 sustainability shows the majority (75%) are within the age category of 31 to 50 years.	GRI 2-7 GRI 405-1	26
	A total of 22 staff (5 women and 17 men) are classified as executive and senior management staff, ensuring the stability needed for effective management. The age categories on the sustainability report shows 508 employees (75%) are between the ages of 31 to 50 years and 116 employees (17.2%) are over 50 years in age.	GRI 2-9 GRI 405-1	67
	NASCON recorded a total of 119 new hires in 2023 and 35 staff exits across all Plants and fleet operations, which is a 85.94% increase in new hires from 64 in 2022 and a 40.68% decrease in staff exits from 59 in 2022.	GRI 2-9 GRI 405-1	29
	Female employees are entitled to three months of paid parental (maternity) leave. In 2023, two (2) women working in Salt Vilage Plant and one (1) from Oregun site utilized the maternity leave.	GRI 401-1	30
	In 2023, we also executed some sustainability trainings and capacity building initiatives to further boost the actualization of our sustainability goals and objectives. 803 employees participated in 15 core sustainability training sessions, recording a total of 11,242 training hours and an average of 14.0 hours per employee. The number of employees trained increased by 101% (400 persons in 2022 to 803 persons in 2023), sustainability training sessions increased by 200% (5 sessions in 2022 to 15 sessions in 2023), total training hours for sustainability increased by 2398% (450 hours in 2022 and 11,242 hours in 2023), and average training hours per employee increased by 1144% (1.13 hours per employee in 2022 to 14.0 hours in 2023)	GRI 404-1 GRI 404-2	30, 31
Operational	In 2023, we increased our procurement spend from local suppliers to ₦31.80 billion, which is a 60% increase from ₦19.84 billion in 2022.	GRI 204-1	41
	NASCON is certified to ISO 9001:2015 Quality Management System (QMS), ISO 22000:2018 Food Safety Management Systems (FSMS) and also current Good Manufacturing Practises (cGMP).	GRI 2-28	42
Economic	In 2023, our economic value created and distributed increased by 74%.	GRI 201-1	35
	Our direct and indirect household income contributions were up by 164% and 70 % respectively with our distribution network, our supply chain supporting more than 250,000 jobs using the Social Accounting Multiplier Matrix. Tax payments were also increased by 136%	GRI 201-1	36
Social	In the reporting year of 2023, we spent a total of ₦45.23 million on social investment projects, representing about 0.33% of our 2023 profit after tax (PAT).	GRI 203-1 GRI 203-2	47
	Table: Summary of health and safety performance (2021-2023) Nascon Site Operation	GRI 403-4 GRI 403-5 GRI 403-7	50
	Table:2023 NASCON Health & Safety Training	GRI 403-5	50
	On NASCON Board, we have two (2) non-Nigerian nationals, a South African and a Norwegian while the remaining eight (8) board members are Nigerians. The board has 40% female (4) and 60% male (8).	GRI 405-1	67

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Environmental	The total energy consumption across our operational sites increased by 6.83% between 2022 and 2023 compared to 7.12% recorded between 2021 and 2022	GRI 302-1	52
	We also recorded a 44.83% decrease (from 249,734 GJ in 2022 to 137,781 GJ in 2023) in the total energy consumption by our fleet/ transport operations.	GRI 302-2 GRI 302-4	52
	For the GHG emission intensity, which is the gross CO2 emitted for every tonne of salt produced, there was a 8.35% decrease year-on-year (from 20.06 kgCO2/tonne of salt to 18.38 kg CO2/tonne of salt) between 2022 and 2023.	GRI 305-1 GRI 305-4	53
	In 2023, the total volume of water consumed from all production facilities was 19,035 m3 compared to 16,452 m3 in 2022. Water intensity increased by 19.63% in 2023.	GRI 303-5	54
	We recorded a 11.36% decrease in the GHG emissions of scope 1, scope 2 increased by 42.75% and scope 3 decreased by 46.87%.	GRI 305-1 GRI 305-2	53
	Our Natural Gas accounts for 72% of our fuel mix in 2023.	GRI 302-3	52

Limited assurance procedures performed

To form our conclusions, we undertook the following procedures:

- Engaged key functions that oversee the selected sustainability information to understand the governance and review process for data management and collection;
- Performed testing to corroborate the results of these interviews, including seeking supporting evidence for the statements made, confirmation of data boundary, documentation of reporting processes, minutes of relevant meetings and pictures of physical sessions;
- Understood, analysed and tested on a non-statistical sample basis the key structures, systems, processes, procedures and controls related to the collation, validation and reporting of sustainability performance data; and
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations and considerations of the disclosure and presentation of the selected sustainability Information.

Responsibilities of Directors and independent assurance provider

Nascon's responsibilities

The Directors are responsible for the preparation of the 2023 Sustainability Report, and for the information and statements contained within them. They are responsible for determining the sustainability targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities

Deloitte's responsibility is to independently express conclusions on the selected information as defined within the scope of work above to Nascon in accordance with our letter of engagement. We permit disclosure of this report for the year ended 31 December 2023, to enable the directors to demonstrate they have discharged their governance as well as respond to their responsibilities by obtaining an independent assurance report in connection with the selected sustainability information.

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To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report except where terms are expressly agreed and with our prior consent in writing.

Limited assurance opinion

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the results of our limited assurance procedures, nothing has come to our attention that causes us to believe that the Selected Sustainability Assertions for the year ended 31 December 2023 is not fairly stated, accurate, and complete and has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Bernard Orji
Deloitte Nigeria
May 2024

GRI content index

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI CONTENT INDEX ESSENTIALS SERVICE 2024

Statement of use	Nascon Allied Industries Plc has reported in accordance with the GRI Standards for the period 1st January 2023 to 31st December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	IFRS Sustainability Disclosure Standard (S1 & S2)	PAGE NUMBER(S) AND/OR DIRECT ANSWERS AND OMISSIONS.
GENERAL STANDARDS							
GRI 2: General Disclosures 2021	2-1	Organizational details					4-9
	2-2	Entities included in the organization's sustainability reporting					18
	2-3	Reporting period, frequency and contact point					18
	2-4	Restatements of information					No Restatements
	2-5	External assurance			4.3: Format of Report		18, 80-83
	2-6	Activities, value chain and other business relationships					8-9, 18
	2-7	Employees	Goal 8				26-31
	2-8	Workers who are not employees	Goal 8				29
	2-9	Governance structure and composition			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-10	Nomination and selection of the highest governance body			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-11	Chair of the highest governance body			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-12	Role of the highest governance body in overseeing the management of impacts			Principles 1 and 2: Governance	IFRS S1 - Governance IFRS S1 - Strategy	99-110
	2-13	Delegation of responsibility for managing impacts			Principles 1 and 2: Governance	IFRS S1 - Governance IFRS S1 - Strategy IFRS S1 - Risk Management	99-110
	2-14	Role of the highest governance body in sustainability reporting			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-15	Conflicts of interest				IFRS S1 - Governance	99-110
	2-16	Communication of critical concerns				IFRS S1 - Governance	99-110

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX		PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	2-17	Collective knowledge of the highest governance body			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-18	Evaluation of the performance of the highest governance body			Principles 1 and 2: Governance	IFRS S1 - Governance	99-110
	2-19	Remuneration policies				IFRS S1 - Governance	99-110
	2-20	Process to determine remuneration				IFRS S1 - Governance	99-110
	2-21	Annual total compensation ratio	Goal 10				99-110
	2-22	Statement on sustainable development strategy				IFRS S1 - Governance IFRS S1 - Strategy	99-110
	2-23	Policy commitments				IFRS S1 - Governance IFRS S1 - Strategy IFRS S1 - Risk Management	99-110
	2-24	Embedding policy commitments			Principle 3: Governance	IFRS S1 - Governance IFRS S1 - Strategy IFRS S1 - Risk Management	99-110
	2-25					IFRS S1 - Strategy IFRS S1 - Risk Management	99-110
	2-26	Mechanisms for seeking advice and raising concerns				IFRS S1 - Governance IFRS S1 - Strategy IFRS S1 - Risk Management	99-110
	2-27	Compliance with laws and regulations	Goal 16				66
	2-28		Goal 17				66
	2-29	Approach to stakeholder engagement					58-65
	2-30	Collective bargaining agreements	Goals 8 and 10	Principle 3: Labour			Information unavailable/ incomplete Data on collective bargaining agreements not available, as its not currently practised.
GRI 3: Material Topics 2021	3-1	Process to determine material topics				IFRS S1 – Risk Management IFRS S1 – Materiality	58-65
	3-2	List of material topics				IFRS S1 – Risk Management IFRS S1 – Materiality	62-64
ECONOMIC STANDARDS							
Financial performance; Transparency, reporting and disclosure on Sustainability/ESG; International financial risk management; Monetary policy and capital markets; Regulatory approvals and compliance; Boosting economic activities, growth and development							
GRI 3: Material Topics 2021	3-3	Management of material topics					34-37

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Goals 8 and 9			34-37
	201-2	Financial implications and other risks and opportunities due to climate change	Goal 13		IFRS S2 – Governance IFRS S2 – Strategy	34-37
	201-3	Defined benefit plan obligations and other retirement plans				34-37
	201-4	Financial assistance received from government				34-37
Community engagement and relations; Host community development; Boosting economic activities, growth and development						
GRI 3: Material Topics 2021	3-3	Management of material topics				26-31
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Goals 1, 5 and 8			26-31
	202-2	Proportion of senior management hired from the local community	Goal 8			26-31
Investor engagement and relations; Sustainable Development Goals; Transparency, reporting and disclosure on Sustainability/ESG; ESG performance and considerations						
GRI 3: Material Topics 2021	3-3	Management of material topics				34-37
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 5, 9, and 11			34-37
	203-2	Significant indirect economic impacts	Goals 1, 3, and 8			34-37
Procurement practices; Suppliers contract and payment processing; Supply chain engagement and relations)						
GRI 3: Material Topics 2021	3-3	Management of material topics				40-42
GRI 204: Procurement Practices 2016	204-1	204-1 Proportion of spending on local suppliers	Goal 8			40-42
Anti-corruption policies and practices						
GRI 3: Material Topics 2021	3-3	Management of material topics				48

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	48
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	48
	205-3	Confirmed incidents of corruption and actions taken	Goal 16	Principle 10: Anti-corruption	Principles 1 and 2: Governance	48
Business strategy; Corporate governance; Transparency, reporting and disclosure on Sustainability/ESG; Company's reputation and brand perception; International financial risk management; Monetary policy and capital markets						
GRI 3: Material Topics 2021	3-3	Management of material topics				36
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Goal 16		Principles 3 and 4: Economic	36
Financial performance; Business strategy						
GRI 3: Material Topics 2021	3-3	Management of material topics				34-37
GRI 207: Tax 2019	207-1	Approach to tax	Goals 1, 10 and 17			34-37
	207-2	Tax governance, control, and risk management	Goals 1, 10 and 17		Principles 1 and 2: Governance	34-37
	207-3	Stakeholder engagement and management of concerns related to tax	Goals 1, 10 and 17			34-37
	207-4	Country-by-country reporting	Goals 1, 10 and 17			34-37
ENVIRONMENTAL STANDARDS						
Circular economy						
GRI 3: Material Topics 2021	3-3	Management of material topics				52-56
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goals 8 and 12		IFRS S2 – Governance IFRS S2 – Strategy	52-56

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX		PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	301-2	Recycled input materials used	Goals 8 and 12	Principle 8: Environment	Principles 3 and 9: Economic and Environment		52-56
	301-3	Reclaimed products and their packaging materials	Goals 8 and 12				Information unavailable/ incomplete Product reclamation not currently practised hence data is unavailable.
Climate change, Emissions and Energy; Environmental responsibility & management							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Industry-based Climate-related Metrics & Targets: Energy Management	52-56
	302-2	Energy consumption outside of the organization	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Industry-based Climate-related Metrics & Targets: Energy Management	52-56
	302-3	Energy intensity	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Industry-based Climate-related Metrics & Targets: Energy Management	52-56
	302-4	Reduction of energy consumption	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Industry-based Climate-related Metrics & Targets: Energy Management	52-56
	302-5	Reductions in energy requirements of products and services	Goals 7, 8, 12 and 13	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Industry-based Climate-related Metrics & Targets: Energy Management	52-56
Water, waste and effluents; Environmental responsibility & management							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX		PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Goals 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Strategy IFRS S2 – Industry-based Climate-related Metrics & Targets: Water Management	52-56
	303-2	Management of water discharge-related impacts	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Strategy IFRS S2 – Industry-based Climate-related Metrics & Targets: Water Management	49-53
	303-3	Water withdrawal	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Strategy IFRS S2 – Industry-based Climate-related Metrics & Targets: Water Management	52-56
	303-4	Water discharge	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Strategy IFRS S2 – Industry-based Climate-related Metrics & Targets: Water Management	52-56
	303-5	Water consumption	Goal 6	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 – Strategy IFRS S2 – Industry-based Climate-related Metrics & Targets: Water Management	52-56
Biodiversity & Land Management							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment		52-56
	304-2	Significant impacts of activities, products and services on biodiversity	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment		52-56

GRI content index

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX		PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	304-3	Habitats protected or restored	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment		Information unavailable/ incomplete No activity or data on habitat protection and restoration due to absence of a detailed biodiversity assessment.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Goals 6, 14 and 15	Principle 7: Environment	Principle 9: Environment		Information unavailable/ incomplete No activity or data on IUCN Red List species due to absence of a detailed biodiversity assessment.
Climate change, Emissions and Energy; Pollution; Environmental responsibility & management							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 - Industry-based Climate-related Metrics & Targets: Greenhouse Gases Emissions	52-56
	305-2	Energy indirect (Scope 2) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 - Industry-based Climate-related Metrics & Targets: Greenhouse Gases Emissions	52-56
	305-3	Other indirect (Scope 3) GHG emissions	Goals 3, 12, 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 - Industry-based Climate-related Metrics & Targets: Greenhouse Gases Emissions	52-56
	305-4	GHG emissions intensity	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 - Industry-based Climate-related Metrics & Targets: Greenhouse Gases Emissions	52-56
	305-5	Reduction of GHG emissions	Goals 13, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment	IFRS S2 - Strategy IFRS S2 - Risk Management IFRS S2 - Industry-based Climate-related Metrics & Targets: Climate Resilience	52-56
	305-6	Emissions of ozone-depleting substances (ODS)	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment		52-56
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Goals 3, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment		52-56
Water, waste and effluents; Environmental responsibility & management							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Goals 3, 6, 12 and 14	Principles 8 and 9: Environment	Principle 9: Environment		52-56
	306-2	Management of significant waste-related impacts	Goals 3, 6 and 12	Principles 8 and 9: Environment	Principle 9: Environment		52-56
	306-3	Waste generated	Goals 3, 6, 12, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment		52-56
	306-4	Waste diverted from disposal	Goals 3 and 12	Principles 8 and 9: Environment	Principle 9: Environment		52-56
	306-5	Waste directed to disposal	Goals 6, 14 and 15	Principles 8 and 9: Environment	Principle 9: Environment		52-56
Procurement practices							
GRI 3: Material Topics 2021	3-3	Management of material topics					52-56

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		Principle 7: Environment	Principles 3 and 9: Economic and Environment IFRS S2 - Strategy IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	52-56
	308-2	Negative environmental impacts in the supply chain and actions taken			IFRS S2 - Strategy IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	52-56
SOCIAL STANDARDS						
Career growth and progression; Employee wellbeing and satisfaction)						
GRI 3: Material Topics 2021	3-3	Management of material topics				26-31
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Goals 5, 8 and 10	Principles 4, 5 and 6: Labour	Principle 5: Social	26-31
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goals 3, 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	26-31
	401-3	Parental Leave	Goals 5 and 8	Principles 4, 5 and 6: Labour	Principle 5: Social	26-31
Employee compensation and benefits						
GRI 3: Material Topics 2021	3-3	Management of material topics				26-31
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Goal 8		Principle 5: Social	26-31
Occupational health and safety; Community health and safety						
GRI 3: Material Topics 2021	3-3	Management of material topics				48-50

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC	NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-2	Hazard identification, risk assessment, and incident investigation	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-3	Occupational health services	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-4	Worker participation, consultation, and communication on occupational health and safety	Goals 8 and 16	Principle 6: Labour	Principle 5: Social	48-50
	403-5	Worker training on occupational health and safety	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-6	Promotion of worker health	Goal 3	Principle 6: Labour	Principle 5: Social	48-50
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-8	Workers covered by an occupational health and safety management system	Goal 8	Principle 6: Labour	Principle 5: Social	48-50
	403-9	Work-related injuries	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	48-50
	403-10	Work-related ill health	Goals 3, 8 and 16	Principle 6: Labour	Principle 5: Social	48-50
Employee training and knowledge development; Employee engagement and relations						
GRI 3: Material Topics 2021	3-3	Management of material topics				30-31
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Goals 4, 5, 8 and 10	Principle 6: Labour	Principle 6: Social	30-31
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8	Principle 6: Labour	Principle 6: Social	30-31

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC		NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
	404-3	Percentage of employees receiving regular performance and career development reviews	Goals 8 and 10	Principle 6: Labour	Principle 6: Social		30-31
Diversity, inclusion and equity; Executive pay and shareholders' dividends; Quality of management							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Goals 5 and 8	Principle 6: Labour	Principles 5 and 6: Social		51
	405-2	Ratio of basic salary and remuneration of women to men	Goals 5, 8 and 10	Principle 6: Labour	Principles 5 and 6: Social		51
Human rights							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Goals 5 and 8	Principle 6: Labour	Principle 6: Social		51
Employee engagement and relations; Employee compensation and benefits							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Goal 8	Principle 3: Labour		IFRS S1 - Risk Management IFRS S2 - Strategy IFRS S2 - Risk Management IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	51
Child labour							
GRI 3: Material Topics 2021	3-3	Management of material topics					51

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC		NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Goals 8 and 16	Principle 5: Labour	Principle 5: Social	IFRS S1 - Risk Management IFRS S2 - Strategy IFRS S2 - Risk Management IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	51
Child labour; Human rights							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Goal 8	Principle 4: Labour	Principle 5: Social	IFRS S1 - Risk Management IFRS S2 - Strategy IFRS S2 - Risk Management IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	51
Human rights							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Goal 16	Principles 1 and 2: Human rights	Principle 7: Social		51
Community engagement and relations; Host community development; Social/community impact investments; Standard of living; Other socioeconomic factors							
GRI 3: Material Topics 2021	3-3	Management of material topics					51
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Goal 2				51

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC		NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
Community engagement and relations; Host community development; Social/community impact investments; Standard of living; Other socioeconomic factors; Empowerment of young people							
GRI 3: Material Topics 2021	3-3	Management of material topics					46-48
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs			Principle 8: Social		46-48
	413-2	Operations with significant actual and potential negative impacts on local communities	Goals 1 and 2		Principle 8: Social	IFRS S1 - Strategy IFRS S1 - Risk Management	46-48
Procurement practices; Supply chain engagement and relations							
GRI 3: Material Topics 2021	3-3	Management of material topics					39-41
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social	IFRS S1 - Risk Management IFRS S2 - Strategy IFRS S2 - Risk Management IFRS S2 - Industry-based Climate-related Metrics & Targets: Supply Chain Management & Food Sourcing	39-41
	414-2	Negative social impacts in the supply chain and actions taken	Goals 5, 8 and 16	Principles 1 and 2: Human rights	Principles 3 and 7: Economic and Social		39-41
Transparency, reporting and disclosure on Sustainability/ESG; Company's reputation and brand perception; International financial risk management; Monetary policy and capital markets							
GRI 3: Material Topics 2021	3-3	Management of material topics					36,48
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16				36,48
Customer satisfaction and consumer wellbeing							
GRI 3: Material Topics 2021	3-3	Management of material topics					36,48

GRI STANDARD	DISCLOSURE	DISCLOSURE TITLE	UN SDGs	UNGC		NGX	PAGE NUMBER(S) AND/OR DIRECT ANSWER(S).
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories			Principles 3 and 4: Economic		48-50
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Goal 16		Principles 3 and 4: Economic		48-50
Company's reputation and brand perception; Customer satisfaction and consumer wellbeing							
GRI 3: Material Topics 2021	3-3	Management of material topics					41-43
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	Goal 12				41-43
	417-2	Incidents of non-compliance concerning product and service information and labelling	Goal 16				41-43
	417-3	Incidents of non-compliance concerning marketing communications	Goal 16				41-43
Customer satisfaction and consumer wellbeing							
GRI 3: Material Topics 2021	3-3	Management of material topics					41-43
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16				41-43

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CORPORATE GOVERNANCE

“Nascon is committed to compliance with the Nigerian corporate governance framework”

Corporate Governance Report

General information

Nascon Allied Industries Plc is committed to best practices and procedures in corporate governance. The corporate governance practices are constantly under review, in line with dynamics of the business environment. The Corporate Governance policies adopted by the Board of Directors are designed to ensure that the company’s business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

Nascon is committed to compliance with the Nigerian corporate governance framework, which includes but is not limited to the Securities and Exchange Commission’s Code of Corporate Governance for Public Companies in Nigeria, the Nigerian Code of Corporate Governance and the Companies and Allied Matters Act. Nascon has not incurred any sanctions in respect of the said framework.

Board of Directors

The Board delegates the day-to-day running of the Company’s affairs to the Managing Director supported in this task by an Executive Management Committee. The Board of Directors consists of ten (10) members; the Chairperson (who is independent), one (1) other Independent Director, one (1) Executive Director and seven (7) Non-Executive Directors. They are detailed on page 181. It is the responsibility of the Board of Nascon Allied Industries Plc to:

- Ensure integrity of the Company’s financial and internal control policies.
- Ensure the accurate, adequate and timely rendition of statutory returns and financial reporting to stakeholders.
- Ensure value creation for shareholders, employees and other stakeholders.
- Review and approve corporate policies, strategy, annual budget and business plan.
- Monitor implementation of policies and the strategic direction of the Company.

Corporate Governance Report

Meetings of the Board of Directors

The Board of Directors holds several meetings during the year to consider corporate actions such as the approval of corporate strategy, annual corporate plan, review of internal risk management and control systems, review of the Company’s performance and operations, as well as the formulation of growth strategies.

In line with the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the record of Directors’ attendance at Board meetings is available for inspection at the Annual General Meeting.

Key activities of the Board were:

- The Board carried out a review of the Company’s short and long-term strategy, culminating in a detailed strategic plan.
- Consideration of the reports of the Board Committees with recommendations for approval.
- The Board considered the quarterly unaudited financial reports and audited full year reports and proposed a dividend.
- Financing requirements for building a fully automated salt refinery.
- Operational performance, marketing strategy and report on business and projects.
- Risk Management objectives and implementation.

Board Committees

The Board delegated some of its responsibilities to standing committees, which are the Establishment and General Purpose Committee and Finance, Risk and Audit Committee. The Committees report to the Board of Directors on their activities and decisions which are ratified by the full Board. In compliance with good corporate governance practices, the Chairperson of the Board is not a member of either of these committees.

The Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee is responsible for monitoring the integrity of the financial statements of the Company. It also assesses and monitors all risks associated with the operations of the Company, and oversees the implementation of the internal control framework by Management.

The Committee assists the Board in its responsibility relating to the oversight of the Company’s financial credit and risk management policies and procedures. The Committee’s membership and record of attendance is detailed on page 181.

Key matters of the Committee were:

- Reviewed the 2022 annual reports and accounts, as well as the 2023 quarterly financial reports.
- Reviewed the critical accounting policies applied in the preparation of the financial statements.
- Reviewed the reports on key operational risks and the related controls and processes to manage and mitigate said risks.

The Establishment and General Purpose Committee

The Committee is responsible for reviewing the policy framework for employee and remuneration issues. The Committee also institutes a transparent procedure for the appointment of new Directors to the Board of Directors and makes recommendations to the Board regarding the tenures and the re-appointment of Directors. The Committee’s membership and record of attendance is detailed on page 181.

Key matters of the Committee were:

- Considered the proposed new organisational and salary structure, including new positions and portfolios.
- Considered the controls and procedures for monitoring staff and IT output quality.

The Statutory Audit Committee

The Committee is made up of five (5) members – three (3) representatives of shareholders and two (2) members of the Board of Directors. The representatives are elected annually at the Annual General Meetings. The Committee, in compliance with good corporate governance practices is chaired by a representative of the shareholders. The Committee’s membership and record of attendance is detailed on page 181.

Key matters of the Committee were:

- Ensured the independence and objectivity of the Audit.
- Reviewed the adequacy and effectiveness of the Company’s internal control policies prior to endorsement by the Board.
- Supervised investigations into matters within its scope, such as evaluation of the effectiveness of the Company’s internal controls.
- Carried out all other functions as stipulated by the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

Code of Business Conduct and Code of Governance

The Company has a Code of Business Conduct, which is applicable to all employees and Directors. The policy provides guidance on mechanisms to report unethical conduct. Mindful of our reputation, we have zero tolerance for all forms of unethical behavior including bribery and corruption.

Whistle Blowing Policy

The Board has established a Whistle Blowing Policy to enable stakeholders in confidence, raise concerns about possible improprieties without fear of reprisal, provided that such concerns are raised in good faith. Stakeholders are encouraged to report such incidents confidentially through the internal reporting channels and/or the outsourced KPMG Ethics Line. The KPMG Ethics contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com. The Board has delegated oversight over whistle blowing to the Finance, Risk and Audit Committee. All matters reported are investigated and reported to the Committee including the action taken.

Insider Trading Policy

In accordance with the NGX Regulation Limited Listing Rules, the Board has put in place an Insider Trading Policy which applies to all directors, employees and those who may possess any insider or material information about the Company. Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors, they have all confirmed their compliance with the Policy in the period before the Company's results were announced for the financial year. The compliance of the Directors with the listing rules and the Insider Trading Policy will continue to be disclosed in the Company's quarterly and other financial reports.

Complaints Management

The Company has adopted a Complaints Management Policy in accordance with the Rules of the Securities and Exchange Commission. Shareholders can direct any complaints or enquiries to the Company Secretariat or to the Registrars, depending on the nature of complaint. Our policy is to acknowledge receipt of the complaint within 48 hours and respond/resolve the query within 10 working days of receipt.

Conflict of Interest and Related-Party Transactions

The Board has adopted a Conflict of Interest and Related Parties Policy, to ensure that related-party transactions and potential conflicts of interest are identified, disclosed and managed. Details of the related-party transactions during the year are set out on pages 168 - 169.

Shareholders' Interest and Relations

The Board ensures the protection of the rights of shareholders. The Company has an Investor Relations team that manages communications with shareholders and investors.

Annual General Meeting (AGM)

The AGM is the principal opportunity for the Board to meet shareholders and explain the Company's progress. The Notice of AGM is dispatched to all shareholders and published in national newspapers and on our website, at least 21 days before the AGM is held.

The Board and Executive Management Committee are available for discussions with shareholders before the AGM. The Chairmen of the Board and Committees are also available to answer shareholders' questions during the formal proceedings of the AGM.

The Annual General Meeting to discuss this Annual Report will be held at the Jewel Aeida, Lekki, Lagos at 11.00am on Thursday 23rd May 2024.

'Yemisi Ayeni
Chairperson

Board & Committee Structure

5 Establishment and General Purpose Committee

Knut Ulvmoen (c)
Halima Aliko-Dangote
Fatima Wali-Abdurrahman
Fatima Aliko-Dangote
Abdu Dantata

10 Board of Directors

'Yemisi Ayeni (c)
Thabo Mabe
Fatima Aliko-Dangote
Olakunle Alake
Halima Aliko-Dangote
Abdu Dantata
Sada Ladan-Baki
Chris Ogbechie
Knut Ulvmoen
Fatima Wali-Abdurrahman

5 Statutory Audit Committee

Okey Nwuke (c)
Umar Farouk
Kudaisi Ayodele Sarat
Halima Aliko-Dangote
Chris Ogbechie

5 Finance, Risk and Audit Committee

Chris Ogbechie (c)
Olakunle Alake
Halima Aliko-Dangote
Fatima Aliko-Dangote
Sada Ladan-Baki

12 Management Committee

Thabo Mabe	Olusegun Ajala	Tunde Iwamofe
Aderemi Saka	Shalom Okonmah	Kolawole Samuel
Murtala Zubair	Ayokunle Ushie	Adedayo Samuel
Olushola Shosanya	Patrick Mogaha	Diseye Oba

Board of Directors


'Yemisi Ayeni


Thabo Mabe


Fatima Aliko-Dangote


Olakunle Alake


Halima Aliko-Dangote


Abdu Dantata


Sada Ladan-Baki


Chris Ogbechie


Knut Ulvmoen


Fatima Wali-Abdurrahman

Board of Directors

1. 'Yemisi Ayeni
Chairperson

Mrs. Ayeni is a former Managing Director of Shell Nig. Closed Pension Fund Administrator Ltd. She is a graduate of Economics from University of Manchester, UK, and a Fellow of the Institute of Chartered Accountants in England and Wales. She was a Council Member of NGX Regulation Limited, Vice Chairman, Pension Fund Operators' Association and Executive Board member of Women in Management and Business. She is a Non-Executive Director of Guinness Nigeria Plc and Stanbic IBTC Pension Managers Ltd. She sits on the Leadership Council for the Aig-Imoukhuede Foundation and is Chairperson of the Dr Funmi Alakija Foundation and Vice Chairperson of the Board of Trustees of Queen's College Old Girls' Association.

2. Thabo Mabe
Managing Director

Thabo holds a Bachelor of Science Degree in Chemistry and Mathematics from Fort Hare University, South Africa. He is the former CEO of Unilever Nigeria Plc. Thabo joined Dangote Group as the MD/CEO of Dangote Flour Mills Plc in 2014 before moving on to oversee the rice business of the Group. He has a wide international working experience, managing businesses in South Africa, Germany as well as Nigeria.

3. Fatima Aliko- Dangote
Director

Fatima Aliko Dangote is Group Executive Director Commercial Operations at Dangote Industries Limited (DIL). In this role, she is responsible for driving commercial operations across the various Dangote Business units and oversees the development and delivery of the Holding Company's commercial brand and communications, strategic procurement and general administration.

Previously, she has worked as the Executive Director, Commercial at Nascon Allied Industries Plc (Nascon), a Technical Specialist in the Strategy Unit and Executive Assistant to the Group Executive Director, Business Development and Portfolio Management at Dangote Industries.

She is a Member of the Nigerian Bar and was previously an Associate at Banwo & Ighodalo. She has also previously run her own independent confectionery business and real estate company. Fatima is passionate about philanthropy and is actively involved in the work of the Aliko Dangote Foundation.

She holds a law degree from the University of Surrey, United Kingdom and has attended leadership executive programs at Columbia University, Wharton School, and Cambridge University.

4. Olakunle Alake
Director

Olakunle is the Group Managing Director of Dangote Industries Limited (DIL). He was appointed to the Board of DIL in 2001 and has since been instrumental to the growth of the parent company and its subsidiaries. He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined DIL in 1990, after six years at PWC. He has held several management positions in DIL, including Financial Controller and Head of Strategic Services. He has deep finance and accounting experience and brings substantial experience in finance, mergers and acquisitions to the Board.

5. Halima Aliko-Dangote
Director

Ms. Halima Aliko-Dangote served as Executive Director of Dangote Flour Mills, where she led the successful turnaround and recent sale of the business. Prior to then, she served as Executive Director of Nascon and continues to serve as a Non-Executive Director of Nascon. She is currently the Board President of The Africa Center (TAC) in New York, a Board member of Endeavour Nigeria and a member of the Women Corporate Directors (WCD). Ms. Dangote started off her career as an Analyst at KPMG and has over 13 years of professional experience, holds a bachelor's degree in Marketing from American Intercontinental University, London, and a Master of Business Administration from Webster Business School. She is a Trustee of the Aliko Dangote Foundation.

6. Abdu Dantata
Director

Abdu is the Group Executive Director in charge of Logistics and Distribution for Dangote Industries Limited, a position he has held since the Group was established more than 20 years ago. He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He brings his extensive experience in sales, logistics and distribution to the Board.

7. Sada Ladan-Baki
Director

Sada's experience spans over thirty years in public service and fund administration. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors and the Nigerian Institute of Marketing (Chartered Member). He is a graduate of Economics with an MBA from Ahmadu Bello University, Zaria. He is the current Group Executive Director for Export and International Trade of Dangote Cement Plc.

8. Prof. Chris Ogbechie
Independent Director

Chris has wide experience in marketing, strategy and corporate governance derived from his work as Head of Marketing/Sales at Nestle Nigeria and from his consulting work with Nigerian, Ghanaian and Kenyan firms over the years. He is the Dean of Lagos Business School and Professor of Strategic Management, Lagos Business School. He was the former Chairman, Board of Directors, Diamond Bank Plc. He teaches strategy, sustainability and corporate governance at the Lagos Business School and Strathmore Business School in Nairobi, Kenya. Chris has a first-class honours degree in Mechanical Engineering from Manchester University, an MBA from Manchester Business School and a PhD in Business Administration from Brunel Business School in the UK.

9. Knut Ulvmoen
Director

Knut joined Dangote in 1996 as the Finance Director. He is a management professional with an extensive background in finance and administration of multinational companies including Revisor-Centret, Norcem Group, Bulkcem and Scancem. He has been instrumental in moving the Group from import and trading into a manufacturing conglomerate with tentacles across the African continent. He holds an MSc degree in Business and is a member of the Norwegian Association of Authorized Accountants.

10. Fatima Wali-Abdurrahman
Director

Mrs. Wali – Abdurrahman is a Senior Adviser to the Group President, Strategic Relations and Special Projects at Dangote Industries Limited. She has over 30 years' experience in the Real Estate industry and serves as a Director on the boards of several companies including Nigerian Exchange Group Plc, Nigeria Mortgage Refinance Co. and BBL Landmark Refinance Realty/Landmark 2007 Global Realty. She was the Founder/Chief Executive of Filmco Group and is the Chairperson of FilmoRealty Ltd, as well as a member of the Advisory Board, Women's Investment Fund (Chapel Hill Denham). Mrs. Wali-Abdurrahman is also a Director of Isa Wali Empowerment Initiative (IWEI) and a member of the Advisory Board, CoAmana. She is a member of the Institute of Directors (IOD), Institute of Management Consultant, Women in the Boardroom and Women Corporate Directors. Mrs. Wali – Abdurrahman has a B.A, Arch and Urban Studies University of Minnesota, U.S.A (1983), and M.Sc. Architecture from the University of London, UK.

"The Board is satisfied that the Annual Report represents a fair, balanced and realistic view of events during the 2023 financial year"

Report of the Directors

The Board of Directors is pleased to submit its report together with the audited financial statements of the Company for the year ended 31 December 2023. The Chairperson's Statement, Managing Director's Review and the Corporate Governance Report form part of this Report.

1. Review of activities

The principal activities of the Company include, the processing of raw salt into refined, edible and grade salt. The Company also produces seasoning cubes.

The Company recorded a profit after taxation of ₦13.73 billion (2022: ₦5.47 billion) for the year. The 2023 interim dividend paid was 100 kobo per share (2022: 100 kobo per share). The Board is proposing the issuance of one (1) new ordinary share of 50 kobo to every fifty (50) existing ordinary shares.

2. Legal form

The Company was incorporated on April 30, 1973 as a limited liability Company. The shares are currently quoted on the Nigeria Exchange Limited.

3. Directors and Directors' Interests

a. The directors of the Company during the year and to the date of this report are as follows:

'Yemisi Ayeni	Chairperson
Thabo Mabe Acting	Managing Director
Fatima Aliko-Dangote	Non-Executive Director
Olakunle Alake	Non-Executive Director
Halima Aliko-Dangote	Non-Executive Director
Abdu Dantata	Non-Executive Director
Sada Ladan-Baki	Non-Executive Director
Chris Ogbechie	Independent Director
Knut Ulvmoen	Non-Executive Director
Fatima Wali-Abdurrahman	Non-Executive Director

b. By virtue of Section 285 of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, one-third of the Directors of the Company who have been longest in office since their last election shall retire from office and in accordance with this section, Professor Chris Ogbechie, Mr. Olakunle Alake and Hajia Fatima Wali-Abdurrahman are retiring by rotation and being eligible, offer themselves for re-election.

c. No Director has a service contract not determinable within five years.

d. The Directors' interests in the issued share capital of the Company as recorded in the register of members and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, are as stated below.

4. Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company in accordance with Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

In doing so, they ensure that:

- Proper accounting records are maintained;
- Applicable accounting statements are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business;
- Internal control procedures are instituted which as far as are reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.

5. Corporate governance

- The Company is committed to best practices and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.
- Members of the Board of Directors meet at least once quarterly to decide on policy matters and direct the affairs of the Company, review its performance, its operations and finance; and formulate growth strategy. Attendance at Directors' meetings is impressive.
- In line with provisions of section 284(2) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, the record of Directors' attendance at Board Meetings is available for inspection at the Annual General Meeting.
- The remuneration of the Executive Directors is fixed.
- The Board of Directors consists of ten (10) members; the Chairperson (who is independent), one (1) other Independent Director, one (1) Executive Director and seven (7) Non-Executive Directors. Appointments to the Board are made by shareholders at the Annual General Meeting where a vacancy arises.
- The Board, from time to time, empowers committees to examine and deliberate on finance and establishment related issues.

6. Substantial interest in shares

The Registrar has advised that according to the Register of Members on 31 December 2023, two shareholders held more than 5% of the issued share capital of the Company. Dangote Industries Limited holds 62.19% with 1,647,763,557 ordinary shares of 50k each and Stanbic IBTC Nominees Limited holds 6.30% with 166,808,484 ordinary shares of 50k each. The analysis of shareholdings is on page 110.

Director's Shareholding Interests	As at December 31, 2022	As at December 31, 2023	As at 27 February, 2024
(a) 'Yemisi Ayeni	200,000	200,000	200,000
(b) Thabo Mabe	-	-	-
(c) Fatima Aliko-Dangote	-	-	-
(d) Olakunle Alake	4,419,959	4,419,959	4,419,959
(e) Halima Aliko-Dangote	-	-	-
(f) Abdu Dantata	2,000,000	2,000,000	2,000,000
(g) Sada Ladan-Baki	1,028,497	1,028,497	1,028,497
(h) Chris Ogbechie	100,000	102,000	102,000
(i) Knut Ulvmoen	-	-	-
(j) Fatima Wali-Abdurrahman	-	-	-

7. Events after the reporting period

There were no significant developments since the statement of financial position date which could have had a material effect on the state of affairs of the Company as at 31 December 2023 and the profit for the year ended on that date, which have not been adequately recognized.

8. Non-current assets

Movements in Property, Plant and Equipment during the year are shown in Note 20 to the financial statements. In the opinion of the Directors, the market value of the Company's properties are not less than the value shown in the financial statements.

9. Company Distributors

The Company's products are distributed by customers across the country, who redistribute to wholesalers, confectioners, supermarkets and retailers. Salt retail packs come in 250g, 500g and 1kg and are sold under the brand name Dangote Refined Salt. Seasoning is sold under the brand name Dangote Classic Seasoning.

10. Suppliers

The Company obtains its materials on an arm's length basis both locally and internationally. Amongst its main vendors are Bulk Commodities Limited and Dangote Packaging Limited.

11. Statutory Audit Committee

The Company, pursuant to section 404 (2) & (3) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020 has put in place an Audit Committee comprising three shareholders and two Directors as follows:

Okey Nwuke - Shareholder/Chairman
Umar Farouk - Shareholder/Member
Kudaisi Ayodele Sarat - Shareholder/Member
Halima Aliko-Dangote - Director/Member
Chris Ogbechie - Director/Member

12. Independent auditor

PricewaterhouseCoopers (Chartered Accountants) have indicated their willingness to continue in office as the Company's auditor in accordance with section 401(2) of the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020. A resolution will be proposed authorizing the Directors to fix their remuneration.

By order of the Board

Adedayo A. Samuel
Company Secretary
FRC/2016/NBA/00000015291
1, Alfred Rewane Road,
Falomo, Ikoyi, Lagos
Nigeria
27 February, 2024

Analysis of shareholdings as at 31 December 2023

Range	No. of Holders	Holders %	Units	Units %
1 - 1,000	22,196	64.51	8,331,185	0.31
1,001 - 5,000	6,226	18.10	15,507,721	0.59
5,001 - 10,000	2,027	5.89	14,621,421	0.55
10,001 - 50,000	2,879	8.37	61,563,670	2.33
50,001 - 100,000	490	1.44	36,286,903	1.37
100,001 - 500,000	442	1.28	93,855,874	3.54
500,001 - 1,000,000	63	0.18	44,393,814	1.67
1,000,001 - 5,000,000	59	0.17	119,860,154	4.53
5,000,001 - 10,000,000	9	0.02	61,308,246	2.31
10,000,001 and above	15	0.04	2,193,709,390	82.80
	34,406	**100**	**2,649,438,378**	**100**

2023 ANNUAL REPORT

FINANCIALS

Statutory Audit Committee Report

This report is provided by the Statutory Audit Committee which was appointed in respect of the 2023 financial year of Nascon Allied Industries Plc.

1. Members of the Statutory Audit Committee

The Statutory Audit Committee is made up of five (5) members – three (3) representatives of shareholders, who are elected annually at annual general meetings and two (2) Directors. In compliance with corporate governance practices, the Statutory Audit Committee is chaired by a representative of the shareholders. The members of the Committee are:

Name	Position
Okey Nwuke	Chairman/Shareholder
Umar Farouk	Shareholder
Kudaisi Ayodele Sarat	Shareholder
Halima Aliko-Dangote	Director
Chris Ogbechie	Director

2. Meetings held by the Statutory Audit Committee

The committee held four (4) scheduled meetings during 2023.

Name	27-Feb-23	25-Apr-23	27-Jul-23	27-Oct-23
Okey Nwuke	Yes	Yes	Yes	Yes
Umar Farouk	Yes	Yes	Yes	Yes
Kudaisi Ayodele Sarat	Yes	Yes	Yes	Yes
Halima Aliko-Dangote	Yes	Yes	Yes	Yes
Chris Ogbechie	Yes	Yes	Yes	Yes

3. Statutory Audit Committee Responsibilities

- Ensuring the independence and objectivity of the Audit.
- Reviewing the adequacy and effectiveness of the Company internal control policies prior to endorsement by the Board.
- Supervised investigations into matters within its scope, such as evaluation of the effectiveness of Nascon Allied Industries Plc's internal controls, business partner and client misconduct of interest.

In addition to the above stated responsibilities, the Committee carries out all such other functions as stipulated by the Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020.

4. Security Trading Policy

In accordance with Rule 17 of the NGX Regulation Limited Amended Listing Rules, the Board has put in place a Security Trading Policy which applies to all Directors and Employees and also to those who may at any time possess, any insider or material information about the Company.

The Security Trading Policy as endorsed by the Board is in substantial conformity with the standard set out in Rule 17 of the NGX Regulation Limited Listing Rules.

Accordingly, it is hereby confirmed that, after specific inquiries of all the Directors of the Company, they have all confirmed their compliance with the Policy in the period before the Company results were announced for the 2023 financial year. There is no case of non-compliance with the Policy.

Furthermore, the compliance of the Directors with the listing rules and the Insider Trading Policy will continue to be disclosed in the Company's quarterly and other financial reports.

5. Report of the Statutory Audit Committee

In accordance with the provisions of Section 404(4) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, we have examined the Auditors' report for the year ended 31 December 2023. We have obtained all the information and explanations we required.

In our opinion, the report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Having reviewed the findings and recommendations in the Management letter, we are satisfied with Management's response therein.

Okey Nwuke
Chairman, Statutory Audit Committee
FRC/2017/ICAN/00000016523
27 February 2024

Members of the Committee
Umar Farouk
Kudaisi Ayodele Sarat
Halima Aliko-Dangote
Chris Ogbechie

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements

The Directors of Nascon Allied Industries Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2023, and the results of its operations, statement of cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS® Accounting Standards) and in the manner required by Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the Annual report and financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable
- and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS® Accounting Standards are insufficient to
- enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company, and which enables them to ensure that the Annual Report And Financial Statements of the Company comply with IFRS® Accounting Standards;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS® Accounting Standards; and
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and preventing and detecting fraud and other irregularities.

The annual report and financial statements of the Company set out on pages 126 to 172, for the year ended 31 December 2023, were approved by the board of Directors on 27 February 2024.

Signed on behalf of the Board of Directors By:

'Yemisi Ayeni
Chairperson
FRC/2013/IODN/0000073173

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020

We have reviewed the financial statements of Nascon Allied Industries Plc for the year ended 31 December 2023.

Based on our knowledge, the financial statements do not:

- Contain any untrue statement of a material fact; or
- Omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statements were made.

The financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the Company for the years presented in the financial statements.

The Directors are responsible for establishing and maintaining internal controls. We have:

- Designed such internal controls to ensure that material information relating to the Company is made known to us by other officers within the business, particularly during the year in which this report is being prepared.
- Evaluated the effectiveness of the Company's internal controls and reported to the Statutory Audit Committee on a quarterly basis and 90 days prior to 31 December 2023.
- Certified that the Company's internal controls are effective.
- Confirmed that there are no deficiencies in the design or operation of internal controls to report to the Company's auditors.

In addition, we have disclosed to the Company's External Auditors and Statutory Audit Committee that:

- There are no deficiencies in the design or operation of internal controls to report.
- There was no fraud, whether material or not, that involved management or other employees who have a significant role in the Company's internal controls.

We confirmed that there were no significant changes in internal controls or factors that could significantly affect internal controls subsequent to the date of our evaluation.

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

Certification of management's assessment on internal control over financial reporting

We, Thabo Mabe (the Managing Director) and Aderemi Saka (the Chief Financial Officer) of Nascon Allied Industries Plc, certify that:

a) We have reviewed this Management's Report on the Assessment of Internal Control Over Financial Reporting of Nascon Allied Industries Plc;
b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
d) We:
1) Are responsible for establishing and maintaining internal controls;
2) Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by others, particularly during the period in which this report is being prepared;
3) Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4) Have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
e) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors:
1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated this 27th day of February 2024

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

Management's Report on the Assessment of Internal Control over Financial Reporting as at 31st December 2023

Management of Nascon Allied Industries Plc ("Nascon" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by Nascon's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally acceptable accounting principles (GAAP).

Nascon's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Nascon's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management has completed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making the assessment, management used the "Internal Control — Integrated Framework" ("COSO 2013") promulgated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based upon the assessment performed, management concluded that as of December 31, 2023, Nascon's internal control over financial reporting was effective based upon the COSO 2013 framework. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023, has been audited by PricewaterhouseCoopers (PWC), an independent registered public accounting firm, as stated in their report, which appears herein.

Dated this 27th day of February 2024

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

Report on an assurance engagement performed by an independent practitioner

to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Nascon Allied Industries Plc ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Nascon Allied Industries Plc's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Assessment of Internal Control over Financial Reporting as at 31st December 2023. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Nascon Allied Industries Plc and our report dated 1 March 2024 expressed an unqualified opinion.

Yinka Yusuf

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

1 March 2024

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

Independent auditor's report

To the Members of Nascon Allied Industries Plc

Report on the audit of the financial statements

Our opinion

In our opinion, Nascon Allied Industries Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Nascon Allied Industries Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the annual report and financial statements, which include a summary of material accounting policies.

Basis for opinion

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

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

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

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises Directors, Officers and Professional Advisers, Results at a Glance, Report of the Directors, Corporate Governance Report, Report of the External Consultants on the performance of the Board of Nascon Allied Industries Plc, Report of the Statutory Audit Committee, Statements of Directors Responsibilities for the Preparation and Approval of the Financial Statements, Certification pursuant to Section 405 (1) of Companies and Allied Matters Act, Laws of the Federation of Nigeria 2020, Certification of management's assessment on internal control over financial reporting, Management's Report on the Assessment of Internal Control over Financial Reporting as at 31st December 2023, Other National Disclosure - Value Added Statement and Other National Disclosure - Five Year Financial Summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Nascon Allied Industries Plc 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Nascon Allied Industries Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Nascon Allied Industries Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 1 March 2024.

Yinka Yusuf

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0466084

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

1 March 2024

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

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	Notes	2023 ₦'000	2022 ₦'000
Revenue from contracts with customers	5	80,828,373	58,786,251
Cost of sales	7	(36,509,587)	(34,243,932)
Gross profit		**44,318,786**	**24,542,319**
Other income	8	194,305	124,293
Other operating gains (losses)	9	267,500	(794,555)
Movement in credit loss allowances	10	11,013	(16,147)
Distribution costs	11.1	(18,988,580)	(12,038,516)
Administrative expenses	11.2	(4,706,955)	(3,142,912)
Operating profit		**21,096,069**	**8,674,482**
Interest received	12	927,498	394,538
Interest paid	15	(1,435,308)	(694,829)
Profit before taxation		**20,588,259**	**8,374,191**
Taxation	17	(6,859,890)	(2,904,943)
Profit for the year		**13,728,369**	**5,469,248**
Other comprehensive income		-	-
Total comprehensive income for the year		**13,728,369**	**5,469,248**
Earnings per share information			
Basic and diluted earnings per share (Kobo)	19	518	206

The notes to the financial statements on pages130 to170 form an integral part of the annual report and financial statements.

Statement of Financial Position as at 31 December 2023

	Notes	2023 ₦'000	2022 ₦'000
Assets			
Non-Current Assets			
Property, plant and equipment	20	12,097,461	12,468,851
Right of use	21	4,124,988	3,894,704
		16,222,449	**16,363,555**
Current Assets			
Inventories	22	11,172,733	8,266,480
Trade and other receivables	23	27,709,452	11,639,953
Other financial assets	24	725,307	695,826
Other assets	25	2,149,156	5,558,747
Cash and cash equivalents	26	25,612,894	13,006,210
		67,369,542	**39,167,216**
Total Assets		**83,591,991**	**55,530,771**
Equity and Liabilities			
Equity			
Share capital	27	1,324,719	1,324,719
Share premium	28	434,037	434,037
Retained earnings	29	25,713,102	17,283,610
Total Equity		**27,471,858**	**19,042,366**
Liabilities			
Non-Current Liabilities			
Borrowings	31	38,570	38,570
Lease liabilities	32	3,893,818	3,701,309
Retirement benefit obligations	33	122,805	133,171
Deferred tax	18	2,405,190	2,125,796
		6,460,383	**5,998,846**
Current Liabilities			
Trade and other payables	34	30,931,522	20,177,590
Borrowings	31	5,494,099	4,792,881
Finance lease liabilities	32	297,214	301,028
Contract liabilities	35	6,341,007	2,099,314
Current tax payable	17	6,595,908	3,118,746
		49,659,750	**30,489,559**
Total Liabilities		**56,120,133**	**36,488,405**
Total Equity and Liabilities		**83,591,991**	**55,530,771**

The annual report and financial statements and the notes on pages 130 to 170, were approved by the Board on the 27 February 2024 and were signed on its behalf by:

'Yemisi Ayeni
Chairperson
FRC/2013/IODN/0000073173

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

The notes to the financial statements on pages 130 to 170 form an integral part of the annual report and financial statements.

Statement of Changes in Equity as at 31 December 2023

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total equity ₦'000
Balance at 1 January 2022	**1,324,719**	**434,037**	**12,871,924**	**14,630,680**
Profit for the year	-	-	5,469,248	5,469,248
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,469,248**	**5,469,248**
Transactions with owners				
Dividends	-	-	(1,057,562)	(1,057,562)
	-	**-**	**(1,057,562)**	**(1,057,562)**
Balance at 31 December 2022	**1,324,719**	**434,037**	**17,283,610**	**19,042,366**
Balance at 1 January 2023	**1,324,719**	**434,037**	**17,283,610**	**19,042,366**
Profit for the year	-	-	13,728,369	13,728,369
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**13,728,369**	**13,728,369**
Transactions with owners				
Dividends	-	-	(5,298,877)	(5,298,877)
			(5,298,877)	**(5,298,877)**
Balance at 31 December 2023	**1,324,719**	**434,037**	**25,713,102**	**27,471,858**

The notes to the financial statements on pages 130 to 170 form an integral part of the annual report and financial statements.

Statement of Cash Flows as at 31 December 2023

	Notes	2023 ₦'000	2022 ₦'000
Cash flows from operating activities			
Cash generated from operations	36	23,163,517	4,874,504
Tax paid	17	(3,103,334)	(1,369,873)
Retirement benefit obligations paid	33	(10,366)	(5,043)
Net cash from operating activities		**20,049,817**	**3,499,588**
Cash flows from investing activities			
Purchase of property, plant and equipment	20	(1,878,247)	(1,290,512)
Proceed from sale of property, plant and equipment	20	57,239	-
Interest Income	12	927,498	394,538
Net cash (used in) investing activities		**(893,510)**	**(895,974)**
Cash flows from financing activities			
Borrowings	31	701,218	4,792,881
Dividends paid	30	(5,298,877)	(1,057,562)
Interest paid	15	(1,045,374)	-
Payment on Lease liabilities	32	(678,217)	(375,199)
Net cash (used in)/ from financing activities		**(6,321,250)**	**3,360,120**
Total cash and cash equivalents movement for the year		**12,835,057**	**5,963,734**
Cash and cash equivalents at the beginning of the year		13,006,210	7,044,016
Effect of exchange rate movement on cash balances		(228,373)	(1,540)
Total cash and cash equivalents at end of the year	26	**25,612,894**	**13,006,210**

The notes to the financial statements on pages 130 to 170 form an integral part of the annual report and financial statements.

Notes to the annual report and financial statements

Notes to the annual report and financial statements

Corporate information
Nascon Allied Industries Plc is a public limited Company incorporated and domiciled in Nigeria.

The annual report and financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on Tuesday, 27 February 2024.

1 General information
Nascon Allied Industries Plc (Formerly known as National Salt Company of Nigeria) was incorporated in Nigeria as a limited liability Company on 30 April 1973. It was fully privatised in April, 1992 and became listed on the (then) Nigerian Stock Exchange on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional Nascon PLC shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited which owns 62.19% of the issued share capital, while the remaining 37.81% is held by the general public.

The ultimate controlling party is Dangote Industries Limited, a Company incorporated in Nigeria.

The registered address of the Company is Salt City, Ijoko Ota, Ogun State.

1.1 The principal activity
The principal activities of the Company include, the processing of raw salt into refined, edible and grade salt. The Company also produces seasoning cubes. The Company's products are sold through distributors across the country.

1.2 Financial period
The financial statements cover the financial year from 1 January 2023 to 31 December 2023 with comparatives for the year ended 31 December 2022.

1.3 Going concern status
The Company has consistently generated profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these Annual Report And Financial Statements are prepared on a going concern basis.

2 Material accounting policies
The material accounting policies applied in the preparation of these Annual Report And 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 Financial Statements have been prepared in accordance with, and comply with, International Financial Reporting Standards IFRS® Accounting Standards, International Financial Reporting Interpretations Committee (IFRIC® Interpretations), issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act (CAMA) and Financial Reporting Council of Nigeria (Amendment) Act, 2023 and effective at the time of preparing these financial statements.

2.2 Basis of measurement
The Annual report and financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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 Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these 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.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency
These Annual Report And Financial Statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand (N'000) unless otherwise stated.

2.3.1 Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss as other operating gains/(losses) in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any foreign exchange component of that gain or loss is recognised in profit or loss as other operating gains/(losses).

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.4 Revenue from contracts with customers
Revenue is measured at the fair value of the consideration received or receivable for goods and services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;
- The contract is approved by the parties;
- Rights and obligations are recognised;
- Collectability is probable;
- The contract has commercial substance; and
- The payment terms and considerations are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services. The customer payment are categorized into cash and 30-days credit sales.

Revenue is recognised when the control of the goods and services are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers. Revenue is driven by the regional spread of the Company's customer network.

Nascon Allied Industries Plc transfers control to the customers after the goods have been delivered to the customer, However, the customer obtains the right to return goods that are bad or damaged immediately they have been delivered.

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

Notes to the annual report and financial statements

Notes to the annual report and financial statements

Revenue from sale of goods is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the period between the recognition of revenue and grant of rebates is within one month.

Returns on goods are considered at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur. Contract liability is recognised for consideration received for which performance obligation (sales of goods) has not been met.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self collection terms) and legal title is passed.

2.5 Interest income

This represents interest income earned on short term placements with banks and other financial assets at amortised cost - treasury bills. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

2.6 Employee benefits

Short-term employee benefits

Short term employee benefits: any wages, salaries, incentives, other contributions and paid annual leave are accrued in the period in which the associated services are rendered by employees of the Company.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or as a result of an offer made to encourage voluntary redundancy. The expected cost of compensation is recognized as an expense in the profit or loss account when it occurs.

Retirement benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit gratuity scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine the present value.

Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments.

2.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other 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 income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting date. Tertiary Education tax is assessed at 3% of the assessable profits as defined by the Tertiary Education Tax Act.

Deferred tax

Deferred tax assets and liabilities 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 when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax are recognised in the Statement of 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 recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment

2.8.1 Recognition and measurement

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 asset. Assets 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, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit or loss and other comprehensive income.

2.8.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.8.3 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative year are as follows:

Freehold land	Nil
Buildings	50 years
Tools and equipment	4 years
Plant and machinery	15 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees capitalised and determined to be directly required to bring the asset to the location and condition for intended use and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

2.8.4 Derecognition

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.

2.9 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

– the contract involves the use of an identified asset this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company's leases include land and building. The lease terms are typically for fixed periods ranging from 2- 20 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Lease liabilities

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

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

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

The lease payments are discounted using the Company's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, Security and conditions.

To determine the incremental borrowing rate, the Company has adopted its approved rate of securing funds of 9%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made, lease interest paid is presented as cash flow from financing . In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

Right of use assets

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term lease and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than ₦2,305,500 when new, and depends on the nature of the asset, e.g., small equipment. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in the Statement of Profit or Loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in the Company's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and the termination options held are exercisable only by the lessee and the lessor.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of actual costs.

Cost of inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their present location and condition. Finished goods, which include materials, direct labour and factory overheads, are valued at actual cost basis using first in, first out.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis.

2.11 Provisions and contingencies

Provisions are recognised when:

• the Company has a present obligation as a result of a

Notes to the annual report and financial statements

past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation (when the time value of money is material).

The amount recognised as provision is the present value of the expenditure expected to be required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where 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.

Where some or all of the expenditure required to settle a provision is 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.

If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position, If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability, and no disclosure is made.

2.12 Financial instruments
Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to liabilities which are held for trading).

Note 37 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

Trade and other receivables
Classification
Trade and other receivables, excluding, when applicable, VAT, WHT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 23).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Measurement and recognition of expected credit losses
Nascon Allied Industries Plc applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to other receivables and cash and bank balances. The Company applies a simplified approach in calculating ECLs on its trade receivables by recognizing a loss allowance that is based on the lifetime ECLs at each reporting date using the provision matrix. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the Gross Domestic Product (GDP) in Nigeria, Brent oil price, and inflation rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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

Write off policy
The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

Credit risk
Details of credit risk are included in the trade and other receivables note (note 23) and the financial instruments and risk management note (note 37).

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Derecognition
Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in the Statement Profit or Loss in the derecognition gains/(losses) on financial assets at amortised cost line item.

Borrowings
Classification
Borrowings consist of Usance credit facility from banks. they are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Borrowings are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in interest paid (note 15).

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Derecognition
Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables
Classification
Trade and other payables (note 34), excluding VAT and amounts received in advance, are classified as financial liabilities and are subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Company becomes a party to the contractual provisions, and are measured, on initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in the Statement of Profit or Loss in interest paid (note 15).

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Derecognition
Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents
Cash and cash equivalents comprises of cash on hand, cash balances with banks and fixed deposits with maturities of three months or less. Cash and cash equivalents are stated at carrying amounts which are deemed to be at fair value.

Cash and cash equivalents are repayable on demand; hence no impairment was determined for cash and cash equivalents. Due to the liquid nature of cash and cash equivalents, management believes that the ECL on them will be immaterial for recognition.

2.12.1 Derecognition
Financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification
Financial assets
The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities
Financial liabilities are not reclassified.

2.13 Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until the asset is ready for its intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.14 Government grants
Government grants are recognised when there is reasonable assurance that:
- the Company will comply with the conditions attaching to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

2.15 Share capital and equity
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as share capital in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared. Dividend is paid once declared and approved.

2.16 Earnings per share
The Company presents basic Earnings Per Share (EPS) 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 ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all potentially dilutive shares.

3 Critical accounting judgement and key sources of estimation uncertainty
In the application of the Company's significant accounting policies, described in Note 2, the Directors are required to

make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Impairment testing
The recoverable amounts of the Tomato Paste plant have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates, assumptions and inputs such as market information, monetary indices and condition of the assets. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of the Tomato Paste plant.

3.1.2 Useful life of property, plant and equipment
The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

3.1.3 Allowances for credit losses
The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.1.4 Measurement of lease liabilities
The application of IFRS 16 requires the directors to make judgements that affect the measurement of lease liabilities. These include identifying the contract tenure, determining the terms of the fixed and variable lease payments, accounting for contract modifications and determining the discount rate to be applied to historic leases.

The Company has applied judgement to determine the lease tenure for those lease contracts that include a renewal or termination option. The assessment of whether the Company is reasonably certain to exercise a renewal option or reasonably certain not to exercise a termination option significantly impacts the value of lease liabilities recognized on the balance sheet. Where an extension option exists, the Company recognizes this as part of the lease liability as invariably this is exercised. The Company also revised some lease liabilities when the lease term was modified. This required exercise of judgement in accounting for changes in contract terms. Estimates are also required to determine the appropriate discount rate used to measure lease liabilities.

3.1.5 Deferred tax assets
Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, Management assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Company's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 18.

4. New Standards and Interpretations

Notes to the annual report and financial statements

4.1 New standards and interpretations effective and adopted in the current year

The following amendments were effective for the first time for the reporting period commencing 1 January 2023. These amendments do not have a material impact on the financial statements.

IFRS 17 Insurance Contracts
IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: discounted probability-weighted cash flows an explicit risk adjustment, and a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023. Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

Disclosure of Accounting Policies Amendments to IAS1 and IFRS Practice Statement 2
The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting (being information that, when considered together with other expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Definition of Accounting Estimates Amendments to IAS 8
The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

4.2 New standards and interpretations not yet adopted
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4.2.1 Standards and interpretations not yet effective or relevant
The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after January 1, 2024 or later periods but are not relevant to its operations:

Notes to the annual report and financial statements

Classification of Liabilities as Current or Non-current Amendments to IAS1 Non-current Liabilities with Covenant Amendments to IAS1
Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or noncurrent even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: the carrying amount of the liability information about the covenants, and facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the liability that could, at the option of the equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/noncurrent classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The effective date of the amendment is 1 January 2024.

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

Lease Liability in a Sale and Leaseback Amendments to IFRS 16
In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The effective date of the standard is for years beginning on or after January 1, 2024.

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

Supplier finance arrangements Amendments to IAS 7 and IFRS 7
The IASB has issued new disclosure requirements about supplier financing s IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements. Non-cash changes in the carrying amounts of financial liabilities in (b). Access to SFA facilities and concentration of liquidity risk with finance providers. The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The effective date of the standard is for years beginning on or after January 1, 2024.

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

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Sale or contribution of assets between an investor and its associate or joint venture Amendments to IFRS 10 and IAS 28
The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The effective date of the amendment is to be determined by the IASB.

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

5. Revenue from contracts with customers

	2023 ₦'000	2022 ₦'000
Sale of goods	80,828,373	58,786,251

Revenue is recognised at a point in time.

6. Segmental information

The Company has identified reportable segments which represent the structure used by the Management to make key operating decisions and assess performance.

The Company's reportable segments are treated as operating segments which are differentiated by the activities that each undertake, the products they manufacture and the markets they operate in.

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

Segmental revenue and results

The Management assesses the performance of the operating segments based on the measure of gross profit. This measure excludes the effects of non-recurring expenditure from the operating segments. The measure also excludes the effects of unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. This measure is consistent with all prior periods which are presented.

The segment information provided by the Management is presented below:

2023	Revenue		
	Total segment revenue ₦'000	Segment cost of sales ₦'000	Segment gross profit/(loss) ₦'000
Salt	75,594,480	(33,116,414)	42,478,066
Seasoning	5,233,893	(3,378,223)	1,855,670
Tomato Paste	-	(14,950)	(14,950)
Total	**80,828,373**	**(36,509,587)**	**44,318,786**

2022	Revenue		
	Total segment revenue ₦'000	Segment cost of sales ₦'000	Segment gross profit/(loss) ₦'000
Salt	53,495,266	(31,569,111)	21,926,155
Seasoning	5,290,985	(2,659,871)	2,631,114
Tomato Paste	-	(14,950)	(14,950)
Total	**58,786,251**	**(34,243,932)**	**24,542,319**

6. Segmental information (continued)

Segment assets and liabilities

The amounts provided from the Management with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The deferred tax assets and retirement benefit obligations are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided by Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Company's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Company's treasury function.

The contingent liabilities as disclosed in note 40.1 relate to the Salt segment.

The depreciation as disclosed in note 13 relate to the Salt and Seasoning segments.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the statement of financial position.

2023	Total assets ₦'000	Total liabilities ₦'000
Salt	78,119,270	53,480,689
Seasoning	5,389,859	111,449
Tomato Paste	82,862	-
Total	**83,591,991**	**53,592,138**
Unallocated		
Retirement benefit obligation	-	122,805
Deferred tax	-	2,405,190
Total as per statement of financial position	**83,591,991**	**56,120,133**

2022	Total assets ₦'000	Total liabilities ₦'000
Salt	49,723,430	32,585,936
Seasoning	5,704,793	1,643,502
Tomato Paste	102,548	-
Total	**55,530,771**	**34,229,438**
Unallocated		
Retirement benefit obligation	-	133,171
Deferred tax	-	2,125,796
Total as per statement of financial position	**55,530,771**	**36,488,405**

Notes to the annual report and financial statements

6. Segmental information (continued)

Geographical information

	2023 Revenue by location of customer ₦'000	2022 Revenue by location of customer ₦'000
East	4,704,923	3,477,803
West	16,578,364	14,199,742
North	59,545,086	41,108,706
Total	**80,828,373**	**58,786,251**

7. Cost of sales

	2023 ₦'000	2022 ₦'000
Raw materials consumed	31,372,245	30,451,330
Employee costs (Note 16)	1,444,488	978,799
Depreciation of property, plant and equipment (Note 13)	627,511	661,949
Depreciation of right of use assets (Note 13)	249,753	145,520
Manufacturing expenses	2,815,590	2,006,334
Total	**36,509,587**	**34,243,932**

8. Other income

	2023 ₦'000	2022 ₦'000
Rental income	-	16,544
Sale of scrap	176,855	93,038
Insurance claim	17,116	14,711
Other income	334	-
Total	**194,305**	**124,293**

9. Other operating gains/(losses)

	2023 ₦'000	2022 ₦'000
Gains /(losses) on disposals, scrappings and settlements		
Property, plant and equipment (Note 20.5)	39,127	(425,857)
Foreign exchange gains /(losses)		
Net foreign exchange gains /(losses)	228,373	(368,698)
Total other operating gains /(losses)	**267,500**	**(794,555)**

This relates to exchange differences arising from payments and receipts in foreign denominated currencies.

10. Movement in credit loss allowances

Trade receivables	2023 ₦'000	2022 ₦'000
Impairment writeback/(charge) on trade receivable (Note 23)	8,958	(24,058)
Impairment writeback on inter Company receivables (Note 23)	241	10,331
Impairment writeback/(charge) on staff loans (Note 23)	1,814	(2,420)
Total	**11,013**	**(16,147)**

Notes to the annual report and financial statements

11. Operating expenses

11.1 Distribution cost

	2023 ₦'000	2022 ₦'000
Market activation	430,476	339,636
Branding expenses	415,426	252,375
Delivery expenses	16,971,203	10,301,959
Depreciation for trucks (Note 13)	1,171,475	1,144,546
Total	**18,988,580**	**12,038,516**

11.2 Administrative expenses

	2023 ₦'000	2022 ₦'000
Management fees	196,041	130,602
Auditor's remuneration	35,250	26,000
Bank charges	66,519	49,089
Cleaning	85,771	43,862
Consulting and professional fees	109,173	85,403
Depreciation of property, plant and equipment (Note 13)	432,538	442,938
Depreciation right of use (Note 13)	2,740	4,341
Directors remuneration (Note 38)	188,555	153,253
Employee costs (Note 16)	2,320,457	1,402,535
Entertainment	52,651	37,672
Business development	66,949	77,950
Insurance	63,436	51,591
Petrol and oil	45,611	24,710
Printing and stationery	35,609	32,567
Repairs and maintenance	96,546	67,221
Secretarial fees	57,591	67,891
Security	107,644	61,555
Staff welfare	99,362	115,398
Telephone and fax	335,417	103,844
Travel - local	309,095	163,554
Travel - overseas		936
Total	**4,706,955**	**3,142,912**

11.3 In compliance with the rules issued by the Financial Reporting Council of Nigeria rule 2b and 3 amended we disclose as follows.

Name of professional	FRC number of the professional	Name of firm	FRC number of the firm	Nature of service
Ayodeji Odeleye	FRC/2014/ NIESV/00000007152	Biodun Odeleye & Co	FRC/2014/ NIESV/00000007152	Valuation of tomato paste plant
Ogunbamowo Olukunle Adebusayo	FRC/2013/ICAN/00000000818	Deloitte	-	Tax computation

No non-audit services were provided by our auditor.

Notes to the annual report and financial statements

12. Interest received

	2023 ₦'000	2022 ₦'000
Interest income on bank balances	4	136
Interest income on short term fixed deposit	927,494	394,402
Total	**927,498**	**394,538**

13. Depreciation

The following items are included within depreciation:

Depreciation	2023 ₦'000	2022 ₦'000
Property, plant and equipment (Note 20)	2,231,524	2,249,433
Right of use assets (Note 21)	252,493	149,861
	2,484,017	**2,399,294**
Total depreciation		
Depreciation (Administrative expenses Note 11.2)	432,538	442,938
Depreciation (Cost of sales Note 7)	627,511	661,949
Depreciation (Distribution cost Note 11.1)	1,171,475	1,144,546
	2,231,524	**2,249,433**
Depreciation right of use assets		
Depreciation (Administrative expenses Note 11.2)	2,740	4,341
Depreciation (Cost of sales Note 7)	249,753	145,520
	252,493	**149,861**

14. Auditors' remuneration

	2023 ₦'000	2022 ₦'000
Fees	35,250	26,000

15. Interest paid

	2023 ₦'000	2022 ₦'000
Interest on borrowings	1,045,374	126,714
Interest on lease liabilities (Note 32)	389,934	568,115
Total interest paid	**1,435,308**	**694,829**

In the current year, the Company had a Usance facility with Zenith Bank Plc, Access Bank Plc and United Bank for Africa Plc at an average rate of 13.1% per annum . The value of the borrowing was based on drawdown of the facility.

Notes to the annual report and financial statements

16. Employee costs

The following items are included within employee benefits expense:

Direct labour costs

	2023 ₦'000	2022 ₦'000
Basic	818,597	645,780
Medical aid - Company contributions	17,698	11,311
Other payroll levies	9,545	5,696
Leave pay provision charge	38,609	19,871
Short term benefit	474,965	243,092
Other short term costs	-	639
Post-employment benefits - Pension (Defined contribution plan)	85,074	52,410
Direct labour costs (Note 7)	**1,444,488**	**978,799**

Indirect employee costs

	2023 ₦'000	2022 ₦'000
Basic	1,002,669	769,553
Bonus	479,074	149,533
Medical aid - Company contributions	9,334	6,437
Other payroll levies	37,389	27,051
Leave pay provision charge	71,713	38,499
Short term benefit	569,436	339,628
Other short term costs	51,913	14,466
Post-employment benefits - Pension (Defined contribution plan)	97,616	57,368
Termination benefits	1,313	-
Administrative cost (Note 11.2)	**2,320,457**	**1,402,535**

Total employee costs	2023 ₦'000	2022 ₦'000
Direct employee costs	1,444,488	978,799
Indirect employee costs	2,320,457	1,402,535
Total	**3,764,945**	**2,381,334**

Average number of persons employed during the year

	2023 Number	2022 Number
Management	86	65
Senior staff	224	213
Junior staff	363	312
Total	**673**	**590**

16. Employee costs (continued)

The table below shows the number of employees (excluding Directors), whose earnings during the year, fell within the ranges shown below in thousand:

₦'000	2023 Number	2022 Number
1 - 5,000	544	536
5,001 - 10,000	91	38
10,001 - 15,000	16	10
15,001 - 20,000	11	6
20,000 and above	11	-
Total	**673**	**590**

17. Taxation

Major components of the tax expense

Current	2023 ₦'000	2022 ₦'000
Local income tax	5,914,547	2,815,691
Education tax	664,920	294,237
Police Trust Fund Levy	1,029	419
Adjustments recognised in the current year in relation to tax of prior year	-	25,241
Total	**6,580,496**	**3,135,588**
Deferred		
In respect of current year (Note 18)	287,512	(230,645)
Adjustments recognized in the current period in relation to the deferred tax of prior periods	(8,118)	-
	279,394	**(230,645)**
Total	**6,859,890**	**2,904,943**

The charge for taxation in these annual report and financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and Tertiary Education tax is calculated at 30% and 3% respectively of the estimated taxable profit for the year, Police Trust Fund levy is charged at 0.005% of profit before tax. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

17. Taxation (continued)

Reconciliation of tax expense

Reconciliation between accounting profit and tax expense.

	2023 ₦'000	2022 ₦'000
Profit before tax from continuing operations	20,588,259	8,374,191
Tax at the applicable tax rate of 30% (2022: 30%)	6,176,478	2,512,257
Education tax rate of 3% (2022: 2.5%)	664,920	294,237
Tax effect of adjustments on taxable income		
Effect of expenses that are not deductible in determining taxable profit	11,282	144,730
Adjustment recognised due to difference in tax rates	19,671	(17,127)
Effect of other adjustments	(1,824)	(53,927)
Police Trust Fund	1,029	419
Effect of income that is exempt from taxation	444	(887)
Adjustments recognized in the current period in relation to the deferred tax of prior periods	(8,118)	25,241
Effect of changes in tax rate	(3,992)	-
Total	**6,859,890**	**2,904,943**

Current tax liabilities in the statement of financial position	2023 ₦'000	2022 ₦'000
At 1 January	3,118,746	1,353,031
Charge for the year	6,580,496	3,135,588
Payment during the year	(3,103,334)	(1,369,873)
At 31 December	**6,595,908**	**3,118,746**

Notes to the annual report and financial statements

18. Deferred tax

	2023 ₦'000	2022 ₦'000
Deferred tax liability	(2,527,620)	(2,356,442)
Deferred tax asset	122,430	230,646
Total net deferred tax liability	**(2,405,190)**	**(2,125,796)**
Reconciliation of deferred tax liability		
At January 1	(2,125,796)	(2,356,442)
Temporary difference movement in the year	(279,387)	230,646
Adjustments recognized in the current period in relation to the deferred tax of prior periods	(7)	-
At 31 December	**(2,405,190)**	**(2,125,796)**

Analysis of deferred tax is made up of

31 December 2022	**At 1 January 2023**	**Recognize in profit or loss**	**At 31 December 2023**
Deferred tax (asset) or liability in relation to:	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	2,377,142	75,115	2,452,257
Allowance for doubtful debt	(104,656)	5,445	(99,211)
Unrealised exchange difference	(111,702)	187,065	75,363
IFRS 16 Leases	(34,988)	11,769	(23,219)
	2,125,796	**279,394**	**2,405,190**

31 December 2022	**At 1 January 2022**	**Recognize in profit or loss**	**At 31 December 2022**
Deferred tax (asset) or liability in relation to:	**₦ '000**	**₦ '000**	**₦ '000**
Property, plant and equipment	2,385,120	(7,978)	2,377,142
Allowance for doubtful debt	(101,047)	(3,609)	(104,656)
Unrealised exchange difference	8,125	(119,827)	(111,702)
IFRS 16 Leases	64,244	(99,232)	(34,988)
	2,356,442	**(230,646)**	**2,125,796**

19. Earnings per share

Basic earnings per share

	2023	2022
From continuing operations (kobo per share)	518	206

Reconciliation of profit or loss for the year to basic earnings

	₦'000	₦'000
Profit or loss for the year attributable to equity holders of the parent	13,728,369	5,469,248
	13,728,369	**5,469,248**
Weighted average number of ordinary shares as at 31 December ('000)	**2,649,438**	**2,649,438**

The Company has no potentially dilutive shares. Accordingly, the basic EPS and diluted EPS have the same values.

Notes to the annual report and financial statements

20. Property, plant and equipment

	Freehold land ₦'000	Buildings ₦'000	Tools and equipment ₦'000	Plant and machinery ₦'000	Furniture and fittings ₦'000	Motor vehicles ₦'000	Computer equipment ₦'000	Capital work-in-progress ₦'000	Total ₦'000
Cost									
Balance at 1 January 2022	70,000	3,688,692	783,496	9,463,663	374,691	9,431,049	243,098	600,580	24,655,269
Addition	-	116,961	57,455	29,563	8,892	1,014,946	13,128	49,567	1,290,512
Disposal	-	(1,000)	(234,243)	(673,685)	(2,355)	(2,041,612)	(32,846)	(267,815)	(3,253,556)
Reclassification	-	10,873	47,729	-	-	212,148	100,745	(58,602)	-
Adjustments	-	-	-	-	-	-	-	(209,816)	(209,816)
Balance at 31 December 2022	70,000	3,815,526	654,437	8,819,541	381,228	8,404,383	223,380	113,914	22,482,409
Addition	-	234,624	215,866	60,800	100,865	1,090,050	51,972	124,070	1,878,247
Disposal	-	-	-	(15,781)	-	(1,408,189)	-	-	(1,423,970)
Reclassification	-	113,914	-	-	-	-	-	(113,914)	-
Balance at 31 December 2023	**70,000**	**4,164,064**	**870,303**	**8,864,560**	**482,093**	**8,086,244**	**275,352**	**124,070**	**22,936,686**
Accumulated depreciation									
Balance at 1 January 2022	-	225,267	552,264	2,794,948	132,725	6,755,126	131,495	-	10,591,825
Charge for the year	-	73,972	114,589	587,977	65,194	1,355,962	51,739	-	2,249,433
Disposal	-	(260)	(210,905)	(577,076)	(2,355)	(2,004,783)	(32,321)	-	(2,827,700)
Balance at 31 December 2022	-	298,979	455,948	2,805,849	195,564	6,106,305	150,913	-	10,013,558
Charge for the year	-	78,792	98,408	548,719	66,821	1,377,078	61,706	-	2,231,524
Disposal	-	-	-	(6,312)	-	(1,399,545)	-	-	(1,405,857)
Balance at 31 December 2023	-	**377,771**	**554,356**	**3,348,256**	**262,385**	**6,083,838**	**212,619**	-	**10,839,225**
Carrying amount									
Balance as at 31 December 2023	**70,000**	**3,786,293**	**315,947**	**5,516,304**	**219,708**	**2,002,406**	**62,733**	**124,070**	**12,097,461**
Balance as at 31 December 2022	**70,000**	**3,516,547**	**198,489**	**6,013,692**	**185,664**	**2,298,078**	**72,467**	**113,914**	**12,468,851**

20. Property, plant and equipment (continued)

20.1 Capital work-in-progress

Work-in-progress comprises amounts expended on construction of store rack and renovation of canteen at Salt Village plant.

20.2 Adjustments to capital work-in-progress

There were no adjustment in the current year.

20.3 Asset pledged as security

None of the Company's assets were pledged as security for any liabilities as at 31 December 2023 (2022:Nil).

20.4 Impairment Assessment

Included in property, plant and equipment are assets related to Tomato Paste plant with carrying values of ₦82.86 million as at 31 December 2023. The plant did not operate optimally during the year. The Directors considered these to be indicators of impairment. The Tomato Paste plant was subjected to impairment assessments using the forced sale model. The recoverable amounts of ₦311.07 million exceeded the carrying value. There was no impairment gain or loss recognised as at 31 December 2023 (2022:Nil).

20.5 Sale of Property, plant and equipment

	2023 ₦'000	2022 ₦'000
Net book value of disposed assets	18,112	425,857
Proceeds from sales	(57,239)	-
(Gain)/loss on disposals	**(39,127)**	**425,857**

Notes to the annual report and financial statements

21. Right of use assets

This note provides information for leases where the Company is a lessee.

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right of Use Asset -Company

Cost	**Land** **₦'000**	**Building** **₦'000**	**Total** **₦'000**
At 1 January 2022	3,243,011	1,131,269	4,374,280
Modifications	-	206,639	206,639
At 31 December 2022	**3,243,011**	**1,337,908**	**4,580,919**
1 January 2023	3,243,011	1,337,908	4,580,919
Additions/Modifications	(170,072)	652,849	482,777
At 31 December 2023	**3,072,939**	**1,990,757**	**5,063,696**
Depreciation			
At 1 January 2022	-	(536,354)	(536,354)
Depreciation	-	(149,861)	(149,861)
At 31 December 2022	**-**	**(686,215)**	**(686,215)**
At 1 January 2023	-	(686,215)	(686,215)
Depreciation	-	(252,493)	(252,493)
At 31 December 2023	**-**	**(938,708)**	**(938,708)**
Carrying amount			
Cost	3,243,011	1,337,908	4,580,919
Accumulated depreciation	-	(686,215)	(686,215)
At 31 December 2022	**3,243,011**	**651,693**	**3,894,704**
Cost	3,072,939	1,990,757	5,063,696
Accumulated depreciation	-	(938,708)	(938,708)
At 31 December 2023	**3,072,939**	**1,052,049**	**4,124,988**

Notes to the annual report and financial statements

22. Inventories

	2023 ₦'000	2022 ₦'000
Raw materials	8,394,709	5,045,226
Work-in-progress	1,249	1,401
Finished goods	164,190	1,161,010
Spare parts and consumables	1,134,734	915,669
Oil and lubricants	325,423	203,790
Packaging materials	1,152,428	939,384
Total	**11,172,733**	**8,266,480**

During the year, there were no inventory written down/reversal to net realisable value (2022: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₦33.452 billion (2022 : ₦30.451 billion).

22.1 Inventory pledged as security

No inventory was pledged as security for any liability (2022: Nil).

23. Trade and other receivables

Financial instruments:

	2023 ₦'000	2022 ₦'000
Trade receivables	974,105	979,246
Trade receivables - related parties (Note 38.1)	23,978,380	10,267,037
Loss allowance	(134,507)	(143,706)
Trade receivables at amortised cost	24,817,978	11,102,577
Advances to suppliers	1,081,026	186,464
Employee loans and advances	32,894	49,027
Loss allowance on employee loans and advances	(872)	(2,686)
Interest receivables	713,438	304,571
Non-financial instruments: VAT	1,064,988	-
Total trade and other receivables	**27,709,452**	**11,639,953**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2023 ₦'000	2022 ₦'000
At amortised cost	26,644,464	11,639,953
Non-financial instruments	1,064,988	-
	27,709,452	**11,639,953**

Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due.

Notes to the annual report and financial statements

23. Trade and other receivables (continued)

Expected credit loss rate:	2023 Estimated gross carrying amount at default ₦'000	2023 Loss allowance (Lifetime expected credit loss) ₦'000	2022 Estimated gross carrying amount at default ₦'000	2022 Loss allowance (Lifetime expected credit loss) ₦'000
Trade receivables				
Outstanding for 0 - 3 months: 4.7% (2022: 5.48%)	942,654	(44,337)	946,406	(51,847)
Outstanding over 1 year: 99.82% (2022: 100%)	31,451	(31,393)	32,840	(32,840)
	974,105	**(75,730)**	**979,246**	**(84,687)**
Related party receivables				
Outstanding for 0 - 3 months: 65.42% (2022: Nil)	11,579	(7,575)	-	-
Outstanding over 1 year: 82.26% (2022: 84.99%)	62,242	(51,203)	69,443	(59,019)
	73,821	**(58,778)**	**69,443**	**(59,019)**
Total	**1,047,926**	**(134,508)**	**1,048,689**	**(143,706)**

Staff loans	Stage 1 12 months ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
Gross exposure at default	32,894	-	-	32,894
Loss allowance as at 31 December 2023	(872)	-	-	(872)
	32,022	**-**	**-**	**32,022**

Staff loans	Stage 1 12 months ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
Gross exposure at default	49,027	-	-	49,027
Loss allowance as at 31 December 2022	(2,686)	-	-	(2,686)
	46,341	**-**	**-**	**46,341**

Notes to the annual report and financial statements

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	2023 ₦'000	2022 ₦'000
Opening balance in accordance with IFRS 9	(146,392)	(130,244)
Provision reversed on new related party receivables	241	10,331
Provisions reversed/(raised) on settled trade receivables	8,958	(24,058)
Provision reversed/(raised) on staff loan	1,814	(2,421)
Closing balance	**(135,379)**	**(146,392)**

23. Trade and other receivables

The reconciliation of gross carrying amount for Nascon is as follows:

	2023 ₦'000	2022 ₦'000
Gross carrying amount as at 1 January	11,246,283	9,267,151
Revenue from third parties	80,828,373	58,786,251
Receipts from third parties	(78,751,035)	(59,557,117)
Rebates receivable from related party	11,628,864	2,749,998
Gross carrying amount as at 31 December	**24,952,485**	**11,246,283**

24. Other financial assets	2023 ₦'000	2022 ₦'000
Fixed deposit	725,307	695,826
Current assets		
Securities held at amortised cost	725,307	695,826

The fixed deposit balance represents the aggregate amounts of dividends that remained unclaimed after 15 months or more which the Registrars returned to the Company in line with Securities and Exchange Commision (SEC) regulations and is invested with Meristem Wealth Management Limited.

25. Other assets

Prepayments:	2023 ₦'000	2022 ₦'000
Insurance prepaid	-	8,437
Prepayment-Others	105,501	2,864
Deposit for import	2,040,249	5,500,635
Promotional items	3,406	46,811
	2,149,156	**5,558,747**

Deposits for imports represents Central Bank of Nigeria (CBN) forwards (averaging 60 to 180 days) received during the year which are still awaiting maturity as at year end.

Notes to the annual report and financial statements

26. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023 ₦'000	2022 ₦'000
Cash on hand	2,896	1,553
Bank balances	25,609,998	13,004,657
	25,612,894	**13,006,210**

27. Share capital

Authorised issued and fully paid	2023 ₦'000	2022 ₦'000
2,649,438,378 ordinary shares of 50 kobo each	1,324,719	1,324,719

28. Share premium

Issued	2023 ₦'000	2022 ₦'000
Share premium	434,037	434,037

29. Retained earnings

	2023 ₦'000	2022 ₦'000
At 1 January	17,283,610	12,871,924
Profit for the year	13,728,369	5,469,248
Dividend declared and paid	(5,298,877)	(1,057,562)
At 31 December	**25,713,102**	**17,283,610**

At the Annual General Meeting held on 26 May 2023, the shareholders approved that dividend of 100 kobo per ordinary share amounting to ₦2.649 billion be paid to shareholders for the year ended 31 December 2022.

In the current year an interim dividend of 100 kobo per ordinary was approved and paid on 17 November 2023 to the shareholders.

A bonus issue in respect of the year ended 31 December 2023 amounting to 52,988,767.56 ordinary shares to be distributed as fully paid-up ordinary shares to existing shareholders whose name appears in the Register of Members as at the close of business on 6 May 2024, in the proportion of one (1) new ordinary share of 50 kobo to every fifty (50) existing ordinary shares held by them was proposed at the board meeting held on February 27, 2024 and subject to approval at the Annual General Meeting.

30. Dividend payable

	2023 ₦'000	2022 ₦'000
At 1 January	-	-
Dividend declared	5,298,877	1,057,562
Payments - Meristem Registrars and Probate Services Limited	(5,298,877)	(1,057,562)
At 31 December	**-**	**-**

Notes to the annual report and financial statements

31. Borrowings

Held at amortised cost	2023 ₦'000	2022 ₦'000
At 1 January	4,831,451	38,570
Loan obtained during the year	701,218	4,792,881
At 31 December 2023	**5,532,669**	**4,831,451**
Split between non-current and current portions		
Non-current liabilities	38,570	38,570
Current liabilities	5,494,099	4,792,881
	5,532,669	**4,831,451**

At the time of privatisation in 1992, the debt owed to the Federal Government of Nigeria by the Company (₦38.570 million) was restructured by the Bureau for Public Enterprise. This is a non interest bearing loan. The Board of Directors has taken steps to obtain a waiver of the loan from the Federal Government of Nigeria and currently awaiting a response.

In the current year, the Company had a Usance facility with Zenith Bank Plc and United Bank for Africa Plc at an average rate of 13.1% per annum . The value of the borrowing was based on drawdown of the facility.

32. Finance lease liabilities

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2023	3,592,582	409,755	4,002,337
Addition/adjustment	(621,030)	1,098,008	476,978
Interest expenses	273,422	116,512	389,934
Payments made during the year	(333,333)	(344,884)	(678,217)
Balance 31 December 2023	**2,911,641**	**1,279,391**	**4,191,032**
Lease liabilities			
Current	69,569	227,645	297,214
Non-current	2,842,072	1,051,746	3,893,818
	2,911,641	**1,279,391**	**4,191,032**

Lease liabilities	Land ₦'000	Building ₦'000	Total ₦'000
Opening balance as at 1 January 2022	2,999,706	640,556	3,640,262
Interest expenses	299,338	51,539	350,877
Payments made during the year	(333,333)	(41,866)	(375,199)
Modification	386,397	-	386,397
Balance 31 December 2022	**3,352,108**	**650,229**	**4,002,337**

Lease liabilities

Current	263,901	37,127	301,028
Non-current	3,328,681	372,628	3,701,309
	3,592,582	**409,755**	**4,002,337**

Notes to the annual report and financial statements

33. Retirement benefits obligation

33.1 Movement in gratuity

	2023 ₦'000	2022 ₦'000
At 1 January	133,171	138,214
Current service cost	-	-
Benefit paid out	(10,366)	(5,043)
At 31 December	**122,805**	**133,171**

The entity was operating a defined benefit for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration.

However, the Board resolved to eliminate the scheme effective January 2013. The valuation of the liabilities is as of that date. The balance as at 31 December, 2023 represents what is owed to staff who are still in service from the old scheme. Payments are disbursed to staff upon disengagement from the company.

As at December 31, 2023 no fund has been set up from which payments can be disbursed.

Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments effective July 2014.

Staff pension

	2023 ₦'000	2022 ₦'000
At 1 January	-	-
Contributions during the year	329,649	197,842
Remittance in the year	(329,649)	(197,842)
At 31 December	**-**	**-**

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of ₦183.05 million (2022: ₦110.02 million) represents contributions payable to this plan by the Company as at 31 December 2023.

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34. Trade and other payables

Financial instruments:	2023 ₦'000	2022 ₦'000
Trade payables	1,366,066	2,908,115
Amounts due to related parties (Note 38.1)	25,763,427	14,591,605
Unclaimed dividend	725,307	695,826
Other payables	40,868	31,926
Non-financial instruments:		
Accrued audit fees	19,400	26,000
Accrued expenses	2,937,287	1,786,387
Value added tax	-	98,006
Withholding tax payable	79,167	39,725
Total	**30,931,522**	**20,177,590**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

35. Contract liabilities

Summary of contract liabilities

	2023 ₦'000	2022 ₦'000
Advance payment from customers	6,341,007	2,099,314

Reconciliation of contract liabilities		
Opening balance	2,099,314	4,274,213
Revenue recognised on delivery of goods previously paid for	(2,099,314)	(4,274,213)
Payments received in advance of delivery of performance obligations	6,341,007	2,099,314
Total	**6,341,007**	**2,099,314**

Contract liabilities represent payments received in advance of the delivery of goods.

36. Cash generated from operations

	2023 ₦'000	2022 ₦'000
Profit before taxation	20,588,259	8,374,191
Adjustments for:		
Depreciation of property, plant and equipment (Note 20)	2,231,524	2,249,433
Depreciation of right of use assets (Note 21)	252,493	149,861
(Gains)/losses on disposals of property, plant and equipment (Note 9)	(39,127)	425,857
Lease modification	(24,269)	(218,010)
Unrealised exchange gain	228,373	1,540
Interest income (Note 12)	(927,498)	(394,538)
Interest expenses (Note 15)	1,435,308	694,829
(Reversal)/impairment for credit losses (Note10)	(11,013)	16,147
PPE Adjustment (Note 20)	-	209,816
Changes in working capital:		
Increase in inventories	(2,906,253)	(3,974,906)
Increase in trade and other receivables	(16,069,499)	(1,845,851)
Decrease/(increase) in other assets	3,409,591	(4,726,570)
Increase in trade and other payables	10,753,935	6,087,604
Increase/(decrease) in contract liabilities	4,241,693	(2,174,899)
Cash generated from operations	**23,163,517**	**4,874,504**

37. Financial instruments and risk management

37.1 Capital risk management

The capital structure of the Company consists of net debt (which includes the borrowings disclosed in Note 31), offset by cash and bank balances and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements. The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

The capital structure and gearing ratio of the Company at the reporting date was as follows:

	2023 ₦'000	2022 ₦'000
Borrowings	5,532,669	4,831,451
Finance lease liabilities	4,191,032	4,002,337
Trade and other payables	30,931,522	20,177,590
Total debts	**40,655,223**	**29,011,378**
Cash and cash equivalents	(25,612,894)	(13,006,210)
Net debts	**15,042,329**	**16,005,168**
Equity	27,471,858	19,042,366
Gearing ratio	55%	84%

37.2 Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

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

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Financial instruments and risk management (continued)

37.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantee and insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers' financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 65% (2022: 91%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

The maximum exposure to credit risk is presented in the table below:

		2023			2022		
	Notes	Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000	Gross carrying amount ₦'000	Credit loss allowance ₦'000	Amortised cost / fair value ₦'000
Trade and other receivables	23	27,844,831	(135,379)	27,709,452	11,786,345	(146,392)	11,639,953
Cash and cash equivalents	26	25,612,894	-	25,612,894	13,006,210	-	13,006,210
		53,457,725	**(135,379)**	**53,322,346**	**24,792,555**	**(146,392)**	**24,646,163**

37.4 Deposit with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the Company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

The overview below shows the credit ratings of outstanding cash and cash equivalents held with financial institutions.

Credit Rating - Financial Institution	31 December 2023 ₦'000	31 December 2022 ₦'000
A+	17,050,515	6,249,868
AA	329,361	47,485
AA-	2,322,736	3,037,126
BBB	468,811	2,600,822
BB+	1,519,233	347,220
Not rated	3,919,341	722,136
	25,609,997	**13,004,657**

Financial instruments and risk management (continued)

37.5 Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company 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 following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2023

	Notes	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Borrowings	31	-	-	-	38,570	38,570	38,570
Lease liabilities	32	-	-	-	5,605,278	5,605,278	3,893,818
Current liabilities							
Trade and other payables	34	22,282,430	1,283,727	501,888	6,863,477	30,931,522	30,931,522
Borrowings	31	701,217	-	4,792,882	-	5,494,099	5,494,099
Lease liabilities	32	150,833	89,444	174,444	297,214	711,935	297,214
		23,134,480	**1,373,171**	**5,469,214**	**12,804,539**	**42,781,404**	**40,655,223**

2022

	Note	0-3 months ₦'000	3-6 months ₦'000	6-12 months ₦'000	Over 1 year ₦'000	Total ₦'000	Carrying amount ₦'000
Non-current liabilities							
Borrowings	31	-	-	-	38,570	38,570	38,570
Lease liabilities	32	-	-	-	3,701,309	3,701,309	3,701,309
Current liabilities							
Trade and other payables	34	8,654,341	2,066,770	5,623,516	3,879,199	20,223,826	20,079,590
Borrowings		4,792,881	-	-	-	4,792,881	4,792,881
Lease liabilities	32	39,028	92,333	169,667	-	301,028	301,028
		13,486,250	**2,159,103**	**5,793,183**	**7,619,078**	**29,057,614**	**28,913,378**

Financial instruments and risk management (continued)

37.6 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

37.6.1 Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2023 ₦'000	2022 ₦'000
US Dollar exposure:		
Current assets:		
Trade and other receivables	17,905,678	10,197,594
Cash and cash equivalents	984,589	14,555
Non-current liabilities:		
Trade and other payables	(27,429,489)	(12,961,564)
Net US Dollar exposure/(asset)	**(8,539,222)**	**(2,749,415)**

37.6.2 Foreign currency sensitivity analysis

A sixty seven percent (67%) weakening of the Naira against the Dollar at 31 December 2023 (31 December 2022: 63%) would have decreased the profit before tax and retained earnings by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. There are challenges faced in sourcing an adequate quantity of foreign currencies from the official markets resulting in slowdown of business operations when foreign currencies required to purchase production materials are not available. The analysis assumes that all other variables, in particular interest rates, remain constant.

A nine percent (9%) strengthening of the Naira, against the Dollar at 31 December 2023 (31 December 2022: 5%) would have increased profit before tax and retained earnings by the amounts shown below. Historically, the likelihood of Naira appreciating against other foreign currencies has been reasonably not significant. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2023 ₦'000	2022 N '000
Impact on profit or loss:		
Naira strengthens by 9% against the US dollar Profit / (loss)	768,529	138,198
Naira weakens by 67% against the US dollar Profit / (loss)	(5,721,278)	(1,741,301)
	(4,952,749)	**(1,603,103)**

37.7 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal as it does not have either floating or fixed interest bearing financial liabilities outstanding as the reporting date. It's cash and cash equivalents with financial institutions have fixed interest rates.

38. Related parties

38.1 Related party balances

	2023 ₦'000	2022 ₦'000
Intercompany receivables		
Parent and ultimate controlling party	6,000,000	-
Dangote Industries Limited (Parent)		
Other related party receivables		
Dangote Cement Plc (Benue Plant)	-	7,200
Dangote Sugar Refinery	10,459	-
West African Popular Foods*	62,243	62,243
Bulk Commodities Limited	17,905,678	10,197,594
Total	**23,978,380**	**10,267,037**

	2023 ₦'000	2022 ₦'000
Intercompany payables		
Parent and ultimate controlling party		
Dangote Industries Limited (Parent)	735,602	997,552
Other related party payables		
Dangote Sugar Refinery	-	67,527
Dancom Technologies Limited	22,832	11,623
Greenview Development Nigeria Limited	1,354,811	911
Bluestar Shipping Line Limited	33,415	1,316
Dangote Cement Plc. (Obajana Plant)	3,499	24,195
Aliko Dangote Foundation	-	818
Dangote Packaging Limited	204,902	216,388
Dangote Industries Limited (Central Stores)	6,013	102,277
Dangote Cement Plc (Head Office)	1,281,083	1,729,192
Dangote Oil Refining Company Limited	-	217,030
Dangote Cement Plc. (Benue Plant)	-	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	219,311
Dangote Cement Plc. (Ibese Plant)	-	10,990
Dangote Fertilizer Limited	25,059	-
Bulk Commodities Limited	21,876,900	10,914,873
Total	**25,763,427**	**14,591,605**

*The balance due from West African Popular Foods has been fully impaired.

38. Related parties (continued)

38.2 Purchases, sales, promotional support, other services and dividend

	Transaction Value		Balance due (to)/from	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Purchases, promotional support and other services				
Ultimate parent	(3,712,006)	-	(735,602)	(854,140)
Other related parties	(37,853,701)	(28,018,865)	(25,004,993)	(17,750,717)
Technical services fees				
Other related parties	(62,786)	(48,004)	(22,832)	(11,623)
Dividend paid				
Ultimate parent	(3,295,572)	(659,105)	-	-
	(44,924,065)	**(28,725,974)**	**(25,763,427)**	**(18,616,480)**
Sales and other services				
Ultimate parent	-	-	6,000,000	-
Other related parties	1,313,169	891,047	17,978,380	13,338,922

Relationships

Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for the Company
Bulk Commodities Limited	Affiliate, purchases raw salt for the Company
Dangote Industries Limited (Central Stores)	Fellow subsidiary, the Company purchases spare parts
Dancom Technologies Limited	Fellow subsidiary, provides internet services and IT support for the Company
Dangote Packaging Limited	Fellow subsidiary, produces empty sacks for the Company
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from the Company and procures trucks on behalf of the Company
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provide clearing services for the Company
Dangote Oil Refining Company Limited	Affiliate, the Company purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from the Company and provides warehouse facility to the Company
Dangote Transport Limited	Fellow subsidiary , provides haulage services to the Company
Dangote Sinotruk West Africa Limited	Fellow subsidiary, the Company purchases trucks and spare parts
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to the Company
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, the Company provides haulage services
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt
Dangote Fertilizer Limited	Affiliate, the Company purchases equipment

Dangote Industries Limited (DIL) performed certain administrative services for the Company for which a management fee of ₦194.5 million (2022: ₦130.6 million) was charged, being an appropriate allocation of costs incurred by relevant administrative departments.

The Company invested 6 billion in the Dangote Industries Ltd's Commercial Paper, yielding a rate of 10% per annum over a tenure of 90 days. This investment aligns with our strategic objectives of diversifying our investment portfolio while providing stable returns and maximizing value for our stakeholders.

38. Related parties (continued)

	2023 ₦'000	2022 ₦'000
Compensation to directors and other key management		
Short-term employee benefits	188,555	153,253
Total	**188,555**	**153,253**

Directors fee and expenses

Directors Fees	5,500	5,500
Directors Expenses	183,055	147,753
Total	**188,555**	**153,253**

The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:

₦ '000	2023 Number	2022 Number
₦1 — ₦15,000	-	7
₦15,001 — ₦30,000	10	2
₦30,001 and above	-	1
Total	**10**	**10**

39. Commitments

The Company's total capital commitments as at 31 December 2023 amounted to ₦124.07 million in respect of Salt village store racks, water treatment plant and canteen project (2022: ₦113.91 million).

40. Contingent assets and Contingent liabilities

40.1 Pending litigation and claims

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦13.0 million as at December 31, 2023 (2022 - ₦13.0 million). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claims, thus no provision has been made in these financial statements.

40.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

41. Events after the reporting period

There were no events after the reporting period that could have had a material effect on the annual report and financial statements of the Company as at 31 December 2023 that have not been taken into account in these annual report and financial statements.

42. Approval of Annual report and financial statements

The Board of Directors approved the annual report and financial statements during its meeting of 27 February 2024.

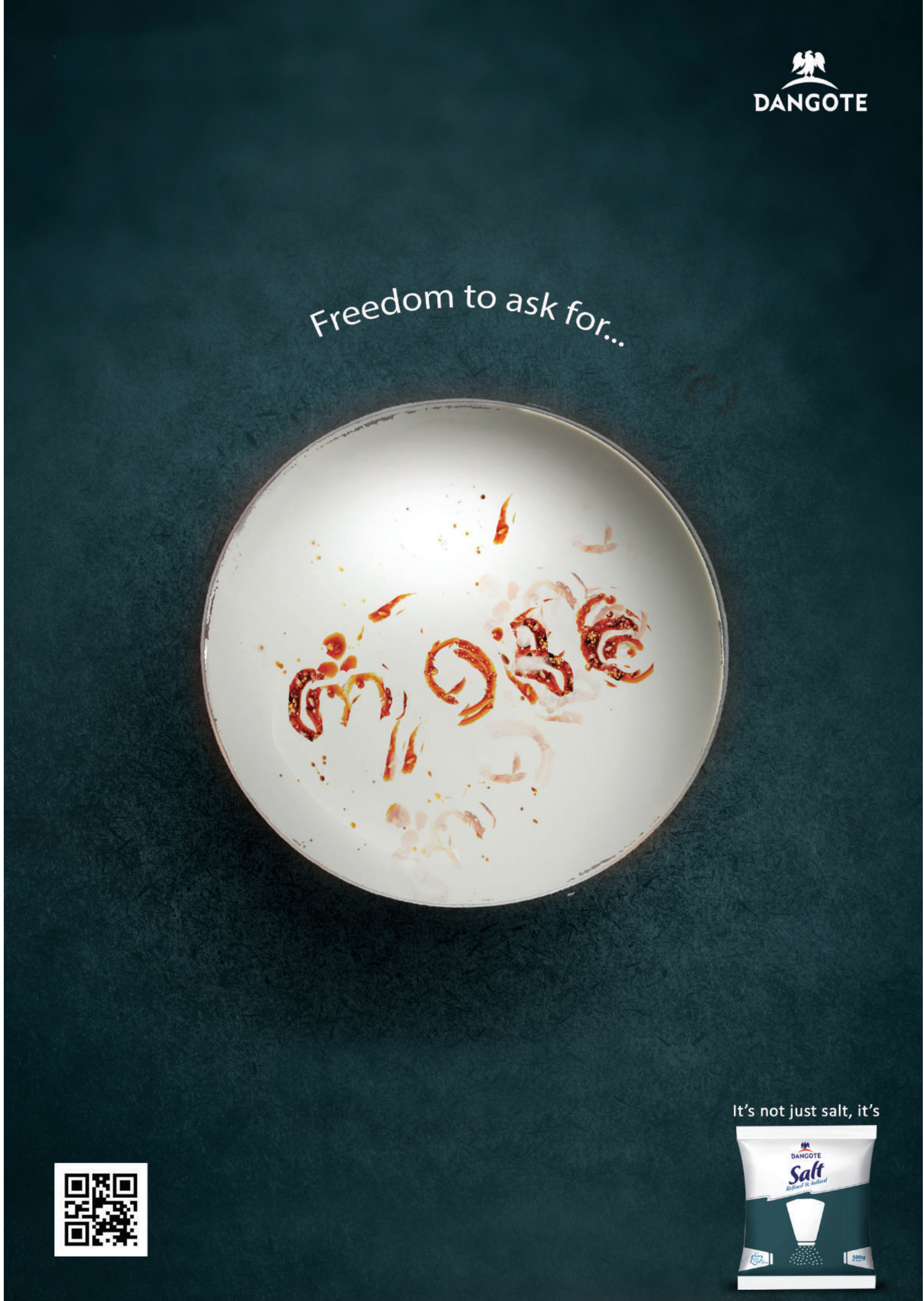
Other National Disclosures - Value Added Statement

	2023 ₦'000	2023 %	2022 ₦'000	2022 %
Value Added				
Turnover	80,828,373		58,786,251	
Finance income	927,498		394,538	
Other operating income	194,305		124,293	
Other operating gains/(loss)	267,500		(794,555)	
Bought - in materials and services				
- Local	(31,799,850)		(19,844,391)	
- Foreign	(21,956,742)		(24,663,235)	
Total Value Added	**28,461,084**	**100**	**14,002,901**	**100**
Value Distributed				
To Pay Employees				
Staff salaries and directors emoluments	3,953,500		2,534,587	
	3,953,500	**14**	**2,534,587**	**18**
To Pay Providers of Capital				
Finance costs	1,435,308		694,829	
	1,435,308	**5**	**694,829**	**5**
To Pay Government				
Income tax	6,580,496		3,135,588	
	6,580,496	**23**	**3,135,588**	**22**
To be retained in the business for expansion and future wealth creation:				
Depreciation	2,484,017		2,399,294	
Deferred tax	279,394		(230,645)	
	2,763,411	**10**	**2,168,649**	**16**
Value retained				
Retained profit	13,728,369		5,469,248	
	13,728,369	**48**	**5,469,248**	**39**
Total Value Distributed	**28,461,084**	**100**	**14,002,901**	**100**

Value added represents the additional wealth which the Company has been able to create by its own and employees efforts.

Other National Disclosures - Five Year Financial Summary

	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Statement of Financial Position					
Assets					
Non-current assets	16,222,449	16,363,555	17,901,370	20,398,339	18,814,619
Current assets	67,369,542	39,167,216	22,620,028	23,910,652	19,854,173
Total assets	**83,591,991**	**55,530,771**	**40,521,398**	**44,308,991**	**38,668,792**
Liabilities					
Non-current liabilities	6,460,383	5,998,846	5,672,643	6,067,509	5,537,243
Current liabilities	49,659,750	30,489,559	20,218,075	25,521,662	18,742,264
Total liabilities	**56,120,133**	**36,488,405**	**25,890,718**	**31,589,171**	**24,279,507**
Equity					
Share capital and premium	1,758,756	1,758,756	1,758,756	1,758,756	1,758,756
Retained income	25,713,102	17,283,610	12,871,924	10,961,064	9,330,529
Total equity	**27,471,858**	**19,042,366**	**14,630,680**	**12,719,820**	**11,089,285**
Total equity and liabilities	**83,591,991**	**55,530,771**	**40,521,398**	**44,308,991**	**35,368,792**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	80,828,373	58,786,251	33,279,688	28,010,059	27,487,788
Cost of sales	(36,509,587)	(34,243,932)	(21,320,319)	(16,447,633)	(21,647,079)
Gross profit	**44,318,786**	**24,542,319**	**11,959,369**	**11,562,426**	**5,840,709**
Other income	194,305	124,293	52,271	19,895	12,804
Other operating (losses)/gains	267,500	(794,555)	1,782,837	580,237	(16,338)
Other operating expenses	(23,684,522)	(15,197,575)	(9,477,975)	(8,135,020)	(2,935,803)
Operating profit	**21,096,069**	**8,674,482**	**4,316,502**	**4,027,538**	**2,901,372**
Finance income	927,498	394,538	51,701	51,076	90,518
Finance costs	(1,435,308)	(694,829)	(130,160)	(171,898)	(222,811)
Profit before taxation	**20,588,259**	**8,374,191**	**4,238,043**	**3,906,716**	**2,769,079**
Taxation	(6,859,890)	(2,904,943)	(1,267,061)	(1,216,406)	(923,836)
Profit for the year	**13,728,369**	**5,469,248**	**2,970,982**	**2,690,310**	**1,845,243**
Retained income for the year	**13,728,369**	**5,469,248**	**2,970,982**	**2,690,310**	**1,845,243**



Donations

Description	₦
EID KABIR DONATIONS TO ALAYABIAGA & IJOKO BAALE	800,000.00
DONATION TO SERAS REPORTER AWARDS 2023.	1,612,500.00
DONATION TO SISA AWARD CSR	1,500,000.00
REHABILITATION OF OREGUN HIGH SCHOOL ROOF	767,000.00
SKILL YOUTH EMPOWERMENT FOR SELECTED ALAYABIAGBA YOUTH	4,920,000.00
IWD AJEGUNLE COMMUNITY OUTREACH	420,000.00
INSTALLATION OF BOREHOLE AT BOUNDARY MARKET	3,228,750.00
PURCHASE OF 2 5KVA GENERATOR FOR BOREHOLE	1,095,640.00
DONATION OF SCHOOL FURNITURE TO EBENEZER AFRICAN CHURCH SCHOOL, OTA	1,968,000.00
WOMEN EMPOWERMENT PROGRAM, ALAYABIAGBA COMMUNITY	1,277,000.00
DONATION FOR NPA WORLD SATETY DAY CELEBRATION	1,000,000.00
SUPPORT FOR NATIONAL ASSOCIATION OF NIGERIA STUDENTS (NANS)	5,000,000.00
SUPPORT FOR POLICE YEAR END PROGRAM PHC	250,000.00
REPAIR OF POLICE PATROL VEHICLE, IKEJA	1,000,000.00
SALLAH RAMS FOR POLICE COMMANDANTS	500,000.00
END OF YEAR GIFTS TO VARIOUS CDA's	3,700,000.00
SPONSORSHIP JUNIOR ACHIEVERS	10,000,000.00
SPONSORSHIP OREGUN HIGH SCHOOL INTER-HOUSE SPORT	300,000.00
SPONSORSHIP OF NSCDC YEAR END PROGRAM	500,000.00
2023 SUSTAINABILITY WEEK ACTIVITIES	3,257,000.00
CAPACITY BUILDING TRAINING FOR ALAYABIAGBA COMMUNITY	1,620,000.00
STAKEHOLDERS ENGAGEMENT WITH CDA's	500,950.00

Share Capital History

AUTHORIZED NOMINAL VALUE			ISSUED AND PAID-UP					
			Other than by bonus		Bonus issue		Total	
Year	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
	'000	₦'000	'000	₦'000	'000	₦'000	'000	₦'000
1991	40,000	20,000	-	-	-	-	14,110	7,055
1992	40,000	20,000	-	-	-	-	14,110	7,055
1993	40,000	20,000	-	-	-	-	14,110	7,055
1994	40,000	20,000	-	-	-	-	14,110	7,055
1995	80,000	40,000	-	-	-	-	14,110	7,055
1996	80,000	40,000	65,847	32,923	-	-	79,957	39,978
1997	200,000	100,000	-	-	-	-	79,957	39,978
1998	200,000	100,000	-	-	-	-	79,957	39,978
1999	200,000	100,000	-	-	-	-	79,957	39,978
2000	200,000	100,000	-	-	-	-	79,957	39,978
2001	200,000	100,000	-	-	-	-	79,957	39,978
2002	200,000	100,000	-	-	-	-	79,957	39,978
2003	200,000	100,000	-	-	-	-	79,957	39,978
2004	200,000	100,000	-	-	-	-	79,957	39,978
2005	200,000	100,000	-	-	-	-	79,957	39,978
2006	4,000,000	2,000,000	-	-	-	-	79,957	39,978
2007	4,000,000	2,000,000	2,127,909	1,063,954	-	-	2,207,865	1,103,932
2008	4,000,000	2,000,000	-	-	441,573	220,787	2,649,438	1,324,719
2009	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2010	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2011	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2012	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2013	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2014	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2015	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2016	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2017	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2018	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2019	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2020	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2021	4,000,000	2,000,000	-	-	-	-	2,649,438	1,324,719
2022	2,649,438	1,324,719	-	-	-	-	2,649,438	1,324,719
2023	2,649,438	1,324,719	-	-	-	-	2,649,438	1,324,719

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Nascon Allied Industries Plc. ("the Company") for the year ended 31 December 2023 will hold on Thursday, 23 May 2024, at the Jewel Aeida, 105B Hakeem Dickson Link Rd, Lekki, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To lay before the Meeting, the Audited Financial Statements for the year ended 31 December 2023, as well as the Reports of the Directors, the Auditors and the Statutory Audit Committee.
2. To re-elect the following Non-Executive Directors who are retiring by rotation and have offered themselves for re-election:
   2.1. Professor Chris Ogbechie;
   2.2. Mr. Olakunle Alake; and
   2.3. Hajia Fatima Wali-Abdurrahman.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To elect shareholders' representatives on the Statutory Audit Committee.
5. To disclose the remuneration of managers.

Special Business

6. To fix the remuneration of the Non-Executive Directors.

7. To grant the Company a general mandate in compliance with the rules of the Nigerian Exchange Limited, to procure goods, services and financing, and enter into such transactions necessary for its day-to-day operations with related parties or interested persons on normal commercial terms.

8. To consider and if thought fit pass the following subjoined resolutions as a special resolution:

8.1. To amend the Articles of Association by the addition of the following, as Articles 58.3 and 58.4 and 58.5:

- 58.3: To the extent permitted by law, all general meetings, as well as any other meetings of its Board, Management or Members, may be held by teleconference, videoconference or any other virtual or electronic means of communication.
- 58.4: All such meetings shall be deemed valid as if they had taken place physically.
- 58.5: Any person attending virtually, shall be deemed to have duly attended such a meeting and shall be entitled to all the requisite rights and subject to all the requisite obligations, as if such meeting was held physically.

8.2. To authorize the Board of Directors and Management to take all actions required to implement the resolutions stated above, including but not limited to filing the amended Articles of Association with the Corporate Affairs Commission.

9. To consider and if thought fit pass the following subjoined resolutions as a special resolution:

9.1. To authorise the Directors to capitalize such sufficient sums from the amount available for distribution, and to appropriate the said capitalized sum to the members registered in the Company's Register of Members at the close of business on 3 May, 2024 ("Qualification Date"), on the condition that the sum appropriated shall not be paid in cash but applied in paying up, to members in the proportion of 1 new ordinary share of 50 kobo for every 50 existing ordinary shares of 50 kobo held by them as at the Qualification Date ("Bonus Shares"), and which Bonus Shares shall rank pari passu in all respects with the existing ordinary shares and the Bonus Shares so distributed being treated for all purposes as capital and not as income, subject to the relevant regulatory approval.

9.2. To increase the share capital of the Company by the creation of such sufficient number of ordinary shares of 50 Kobo each representing the total number of Bonus Shares, such shares ranking pari passu in all respects with the existing shares in the capital.

9.3. To authorise the Directors to allot the Bonus Shares to the qualifying members, in the manner specified above.

9.4. To amend the Memorandum and Articles of Association to reflect the new share capital.

9.5. To authorize the Board of Directors and Management to take all actions required to implement the resolutions stated above, including but not limited to filing the amended Articles of Association with the Corporate Affairs Commission.

NOTES:

A. Proxies: A proxy form is included in the Annual Report and available on the website. A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies, to attend and vote instead of him, and that a proxy need not be a member. All instruments of proxy must be stamped and deposited at the office of the Registrars, Meristem

Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Lagos, not later than 24 hours before the time scheduled for holding the meeting.

B. Closure of Register of Members: The Register of Members and Transfer Books will be closed from 6 May to 8 May 2024 (both days inclusive) to enable the Registrar update its records.

C. Dividend: An interim dividend of 100 kobo per ordinary was approved and paid on 17 November 2023.

D. Issuance of Bonus Shares: The Board had announced the issuance of 2 new ordinary shares of 50 kobo for every 100 existing ordinary shares, which is hereby revised to 1 new ordinary share of 50 kobo for every 50 existing ordinary shares. If the shareholders approve, the bonus shares will be issued by 24 June 2024.

E. E-Dividend Registration: Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts to receive dividend payments electronically. A list of unclaimed dividends is available on the Company's website at https://nascon.dangote.com. Shareholders with unclaimed share certificates or unclaimed dividends should:

- Address their claims to the registrars, at Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba Lagos, (or contact@meristemng.com) or
- Complete the shareholder e-mandate form in the Annual Report or at https://meristemwealth.com/mandate-form.

F. Nomination to the Statutory Audit Committee: In accordance with the Companies and Allied Matters Act 2020, a shareholder may nominate another shareholder for appointment as a member of the Statutory Audit Committee by giving notice in writing to the Company Secretary at least 21 days before the Annual General Meeting.

G. Rights of Securities Holders to Ask Questions: Securities holders can ask questions at the Annual General Meeting and in writing before the meeting. Questions should be submitted to the Company Secretary at the Company's office up to one week before the Annual General Meeting.

H. Electronic Annual Report: The electronic version of the Annual Report will be available online from the Company's website - https://nascon.dangote.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email.

I. Live Streaming: The Annual General Meeting will be streamed live from the Company's YouTube channel (www.youtube.com/dangotegroup).

J. Voting by Interested Persons: In line with the Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on the general mandate.

By the Order of the Board of Directors.

Adedayo A. Samuel
Company Secretary
FRC/2016/NBA/00000015291
Nascon Allied Industries Plc
15B Ikosi Road,
Oregun, Lagos State

Dated 30 April 2024

General Mandate Circular

In compliance with the Rules of the NGX Regulation Limited Governing Related Parties or Interested Persons ('the Rules'), Nascon Allied Industries Plc ("Nascon") hereby seeks the approval of shareholders for a general mandate in respect of recurrent transactions of revenue or of a trading nature or those necessary for the day to day operations of the Company. The relevant items for consideration of the shareholders are as stated below:

i. The transactions for which this general mandate is sought are those of a trading nature and/or those which are necessary for the day to day operations of Nascon and include but are not limited to the following:

a) Technical Know-How and Support Services Agreements between Nascon and its parent company, Dangote Industries Limited ("DIL") and/or other companies or entities within the Dangote Group;

b) Trademark and Quality Control Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;

c) Distribution Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;

d) Production and Distribution Agreements between Nascon, DIL and/or other companies or entities within the Dangote Group;

e) Arrangements for the provision of specialist support to Nascon, DIL and/or other companies or entities within the Dangote Group;

f) Contract manufacturing purchase or packaging arrangements between Nascon, DIL and/or other companies or entities within the Dangote Group; and

g) Arrangements for sale and/or purchase of raw materials or finished goods, technical equipment and spare parts by or to Nascon by DIL and/or other companies or entities within the Dangote Group.

ii. The class of related parties and interested persons with which Nascon will be transacting include shareholders, employees and their family members, companies or entities, DIL and subsidiaries of the Company, etc.

iii. The rationales for the transactions are that they are necessary for the operations of Nascon, the discharge of the legal and contractual obligations currently binding on Nascon, are of strategic importance to the continued operations of Nascon, guarantee the uninterrupted supply of goods and services necessary for the operation of Nascon as a going concern, are carried out on a transparent basis and are cost effective and performed efficiently and effectively.

iv. The methods and procedures for the determining the transaction prices are based on Nascon's transfer pricing policy and are, where applicable, subject to the approval of the National Office for Technology Acquisition and Promotion (NOTAP).

v. KPMG has provided an independent financial opinion that the methods and procedures in Nascon's transfer pricing policy referred to in paragraph (iv) above are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to interests of Nascon and its minority shareholders.

vi. Nascon shall obtain a fresh mandate from the shareholders if the methods or procedures in (iv) become inappropriate.

vii. Any person identified as an interested person as defined under the Rules shall abstain and undertake to ensure that its associates abstain from voting on the resolution approving the transaction.

viii. The Board of Directors be and are hereby authorized to take any steps that may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to all the above and to settle all matters arising out of , and incidental thereto and sign all deeds, documents and applications that may be required on behalf of the Company and generally to do all acts and things that may be necessary, expedient or incidental thereto for the purposes of giving effect to the above mandate.

Corporate Information

Capital Market Information
Nascon Allied Industries Plc is listed on the main board of the NGX Regulation Limited (NGX)
Each share carries one voting right

NGX ticker symbol	NASCON
ISIN	NGNASCON0005
Bloomberg Code	NASCON:NL
Reuters Code	NASCON:LG
Date listed	20 October,1992
Market Capitalization (31/12/23)	₦142,407,312,817.50
Outstanding shares	None
Free float	28.08%

Registration Information

RC Number	11364
Date of Incorporation	30 April, 1973

Registered office
Salt City
Ijoko Ota, Ogun State

Business Office
15B Ikosi Road
Oregun, Ikeja, Lagos State

For more Information please contact:
Corporate Communications
Anthony Chiejina
anthony.chiejina@dangote.com

Investor Relations
Morayo Tukuru
investors.nascon2@dangote.com

Website
https://nascon.dangote.com

Directors, Officers and Professional Advisers

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Production of seasoning and processing of raw salt into refined, edible and grade salt.
Ultimate holding Company	Dangote Industries Limited (incorporated in Nigeria)

Directors

'Yemisi Ayeni	Chairperson
Thabo Mabe	Managing Director
Fatima Aliko-Dangote	Non -Executive Director
Olakunle Alake	Non-Executive Director
Halima Aliko-Dangote	Non-Executive Director
Abdu Dantata	Non-Executive Director
Sada Ladan-Baki	Non-Executive Director
Chris Ogbechie	Independent Non-Executive Director
Knut Ulvmoen	Non-Executive Director
Fatima Wali-Abdurrahman	Non-Executive Director

Company Secretary
Adedayo A. Samuel

Registered office
Salt City
Ijoko Ota
Ogun State

Auditor
PricewaterhouseCoopers
Chartered Accountants
5B Water Corporation Road, Victoria Island, Lagos

Registrar and Transfer Office
Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos
Tel: 01–8920491–2; 01–2809250–3
E-mail: info@meristemregistrars.com

Bankers
Access Bank Plc
Ecobank Limited
First Bank of Nigeria Limited
First City Monument Bank Limited
Guaranty Trust Bank Plc
Jaiz Bank Limited
Keystone Bank Limited
Stanbic IBTC Bank Plc
Sterling Bank Plc
United Bank for Africa Plc
Union Bank of Nigeria Plc
Wema Bank Plc
Zenith Bank Plc

Board and Committee Meeting Dates & Attendance

Board Meetings

Members	28/02	25/04	26/05	12/07	28/08	27/10	27/11
'Yemisi Ayeni	✓	✓	✓	✓	✓	✓	✓
Thabo Mabe	✓	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	X	✓	✓	✓	✓	✓
Fatima Aliko-Dangote	✓	✓	✓	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓	✓	✓	✓
Sada Ladan-Baki	✓	✓	✓	✓	✓	✓	✓
Chris Ogbechie	✓	✓	✓	✓	✓	✓	✓
Knut Ulvmoen	✓	✓	✓	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	✓	✓	✓	✓	✓

Finance, Risk and Audit Committee

Members	24/02	20/04	21/07	25/10
Prof. Chris Ogbechie	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Abdu Dantata	✓	✓	n/a	n/a
Sada Ladan Baki	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Fatima Aliko–Dangote	n/a	n/a	✓	✓

Establishment and General Purpose Committee

Members	23/02	19/04	20/07	25/10
Knut Ulvmoen	✓	✓	✓	✓
Fatima Wali-Abdurrahman	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓
Fatima Aliko-Dangote	✓	✓	✓	✓
Abdu Dantata	n/a	n/a	✓	✓

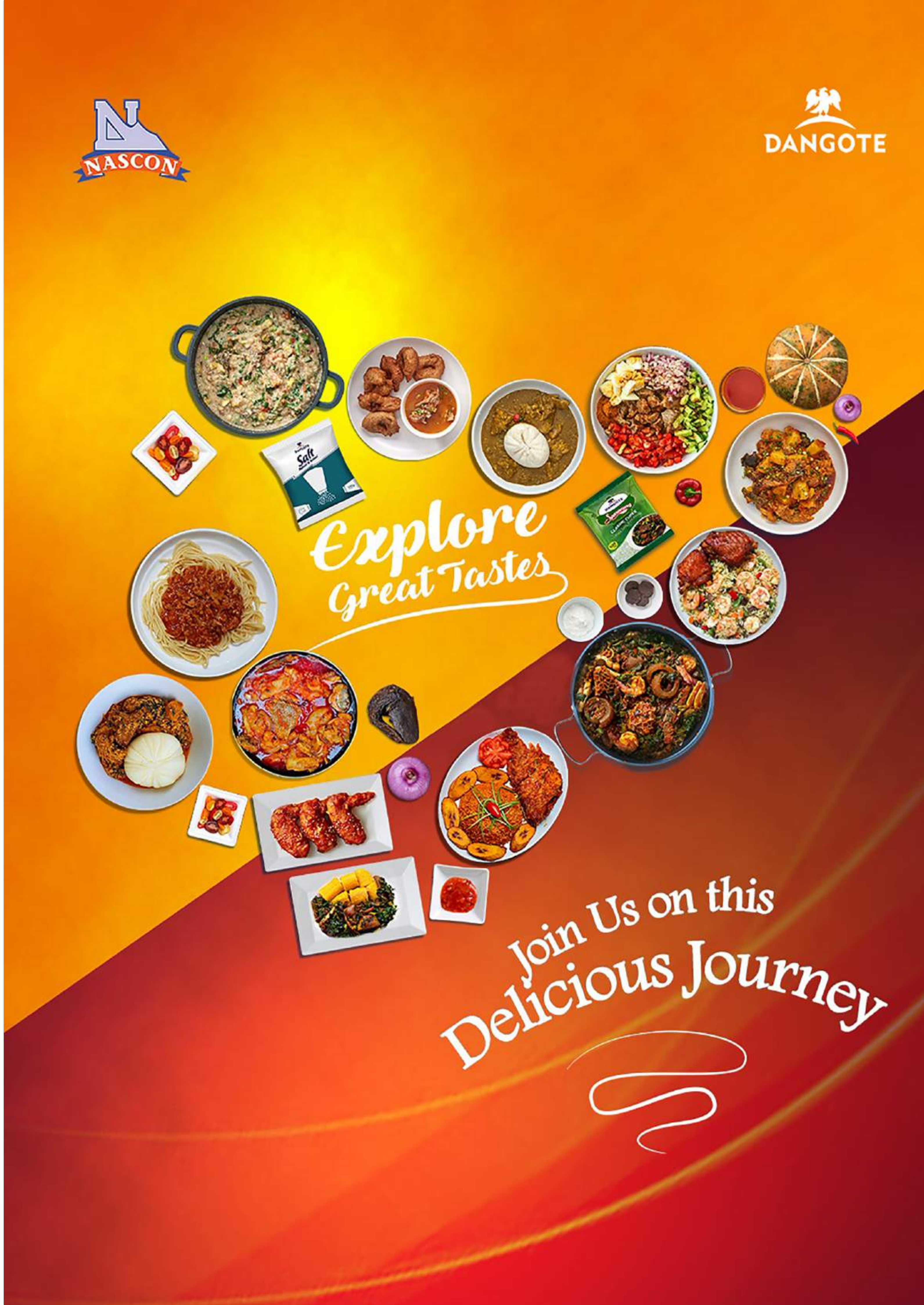
Statutory Audit Committee

Members	27/02	25/04	27/07	27/10
Dr. Okey Nwuke	✓	✓	✓	✓
Umar Farouk (PhD)	✓	✓	✓	✓
Kudaisi Ayodele Sarat	✓	✓	✓	✓
Prof. Chris Ogbechie	✓	✓	✓	✓
Halima Aliko-Dangote	✓	✓	✓	✓

KEY
✓ - Present in meeting
X - Apology

Summary of Claimed/Unclaimed Dividends as at 31 December 2023

DIVIDEND NO	DECLARED DIVIDEND	CLAIMED DIVIDEND	UNCLAIMED DIVIDEND	DATE OF PAYMENT
1	883,146,126.00	778,970,770.30	15,860,743.10	7/17/2008
2	1,059,775,351.20	932,227,943.81	21,569,872.27	5/10/2009
3	1,324,719,189.00	1,159,381,576.80	32,865,693.30	4/10/2010
4	1,324,719,189.00	1,165,664,649.15	26,582,620.95	11/7/2011
5	1,854,606,865.00	1,618,181,795.65	50,964,382.35	7/6/2012
6	2,384,494,540.20	2,088,366,113.97	64,050,974.37	12/6/2013
7	2,384,494,540.20	2,077,968,432.89	70,516,114.11	6/24/2014
8	1,324,719,189.00	1,159,723,241.00	38,621,432.30	12/6/2015
9	1,457,191,107.90	1,281,880,645.59	36,458,856.86	5/23/2016
10	1,854,606,864.60	1,630,881,013.58	41,876,650.69	8/5/2017
11	3,974,157,567.00	1,231,697,970.60	128,324,575.50	8/5/2018
12	2,649,438,378.00	2,313,835,924.30	79,591,213.90	6/17/2019
13	1,059,775,351.20	924,595,784.24	32,052,360.76	7/29/2020
14	1,059,775,351.20	917,933,535.80	38,367,873.24	5/31/2021
15	1,059,775,351.20	921,724,238.40	32,073,577.68	6/3/2022
16	2,649,438,378.00	826,593,700.40	81,015,193.70	5/26/2023
17	2,649,438,378.00	811,534,834.10	100,682,023.40	11/17/2023
TOTAL	**30,954,271,716.70**	**21,841,162,170.58**	**891,474,158.48**	



Affix Current Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

This service costs ₦150.00 per approved Mandate per Company.

MERISTEM

E-DIVIDEND MANDATE ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar
Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name | First Name | Other Names

Address:

City | State | Country

Previous Address (If address has changed)

CHN | CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 | Mobile Telephone 2

Email Address

Signature(s) | Company Seal (If applicable)

Joint\Company's Signatories

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTIONS BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	DEVELOPMENT BANK OF NIGERIA PLC	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

MERISTEM REGISTRARS AND PROBATE SERVICES LIMITED

Meristem Registrars And Probate Services Limited
Web: www.meristemregistrars.com; email: info@meristemregistrars.com

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos

Proxy Form

Nascon Allied Industries Plc Rc: 11364

The Annual General Meeting (AGM) of Nascon Allied Industries Plc. for the year ended 31 December 2023 will hold on 23 May 2024, at the Jewel Aeida, Plot 105B Hakeem Dickson Link Rd, Lekki, Lagos State at 11.00 a.m.

I/WE ....

Being a shareholder of Nascon Allied Industries Plc hereby appoint ....
....Or
failing him/her, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held on 23 May 2024, and at any adjournment.

SHAREHOLDER'S SIGNATURE .... DATED THIS ....DAY OF 2024

SN	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1.	To re-elect the following directors:			
1.1	To re-elect Professor Chris Ogbechie as a Director.			
1.2	To re-elect Mr. Olakunle Alake as a Director.			
1.3	To re-elect Hajia Fatima Wali-Abdurrahman as a Director.			
2.	To authorise the Directors to fix the remuneration of the Auditors.			
3.	To elect shareholders' representatives on the Statutory Audit Committee.			
	SPECIAL BUSINESS			
4.	To fix the remuneration of Directors.			
5.	To grant the general mandate.			
6.	To review the mode of general meetings.			
7.	To approve the issuance of bonus shares.			

Notes:

A. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies in his stead, to attend and vote instead of him, and such proxy/proxies need not be a shareholder of the company.
B. The proxy must produce the admission card sent with the notice of the Annual General Meeting to gain entrance to the meeting.
C. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
D. If the shareholder is a corporation, this form must be executed under its common seal or by a duly authorized officer.
E. All duly completed and stamped proxy forms should be deposited at the office of the Registrar not later than 48 hours before the meeting.
F. In order to be valid, the proxy forms must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps).

ADMISSION CARD

Before posting this form, please tear off this part and retain it for admission to the meeting.

Admission Slip:

The Annual General Meeting of NASCON Allied Industries Plc. will hold on 23 May 2024, at the Jewel Aeida, Plot 105B Hakeem Dickson Link Rd, Lekki, Lagos at 11.00 a.m.

NAME AND ADDRESS	NUMBER OF SHARES HELD:	NUMBER OF SHAREHOLDER(S)

Please admit .... to the Annual General Meeting of NASCON Allied Industries Plc. will hold on 23 May 2024, at the Jewel Aeida, Plot 105B Hakeem Dickson Link Rd, Lekki, Lagos at 11.00 a.m.

Signature of person attending: ....

- The admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his nominee on the day of the Annual General Meeting

Please be advised that to enable a proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Registrar not later than 48 hours before the time fixed for the meeting.

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos

NASCON's Top Customers

ALI BALARABE	NORTH WEST
SANI ADAMU TRADER	NORTH WEST
ABDULWAHAB SHAGUMBA	NORTH WEST
SABO DANKOLI	NORTH WEST
HAMISU RABIU JINGAU	NORTH WEST
IBRAHIM CHIKA	NORTH WEST
ALHAJI SABIU MOHAMMED	NORTH WEST
YUSUF ABUBAKAR MALUMFASHI	NORTH WEST
ASHIRU ALI MUHAMMAD	NORTH WEST
ISMAIL ABDULRAZAK GORA	NORTH WEST
DANLADI GORA	NORTH WEST
UMAR BUBA	NORTH WEST
ABDULKARIM S. MAITURARE	NORTH WEST
ALH. LAWALI SANI GUSAU	NORTH WEST
SALISU SAMBAJO	NORTH WEST
SOLAR RICE MILL & GENERAL ENTERPRISES	NORTH WEST
SAFZAK GENERAL MERCH	NORTH WEST
ABUBAKAR MAI HULLA	NORTH WEST
IBRAHIM ACHIDA	NORTH WEST
MAZAF MINI DEPOT	NORTH WEST
ALH IDRIS SALEH NIG LIMITED	NORTH CENTRAL
MUABSA INTEGRATED SERVICES	NORTH CENTRAL
SAIDU USMAN ACHIDA	NORTH CENTRAL
LUCKY ON LUCKY ENTERPRISES	NORTH CENTRAL
OLAYIWOLA STORES	NORTH CENTRAL
CAPITAL MALL TRADING COMPANY LIMITED	NORTH CENTRAL
EJIDE NIG LTD	NORTH CENTRAL
SANUSI HAMISU PAKI NIG.ENTER	NORTH CENTRAL
ALI MAGARU	NORTH CENTRAL
TOMMYHILL STATION ENTERPRISES LIMITED	NORTH CENTRAL
DANDUME TRANSPORTES	NORTH CENTRAL
ESTHER ANIKE TRADING ENTERPRISES	NORTH CENTRAL
ALHAJI ADAMU AYUBA	NORTH CENTRAL
DEKEM TRADING ENT.	NORTH CENTRAL
I.A UDE & SONS LTD	NORTH CENTRAL
DE LIGHT EAGLE IDEAL CONCEPTS	NORTH CENTRAL
ALH. GARBA ROKA SALISU	NORTH CENTRAL
AL-BABELLO TRADING CO.	NORTH CENTRAL
AL-BABELLO TRADING C	NORTH CENTRAL
INNO IYKE CO-OPERATIVE LINK	NORTH CENTRAL
YANFUWAL NASS NIG. LTD	NORTH EAST
ALH IBRAHIM MUHAMMAD GOMBE	NORTH EAST
FULFULDE GLOBAL INVESTMENT LTD	NORTH EAST
ISAH HUSSANI	NORTH EAST
A.A.U TALIO MERCHANTS AND CO.	NORTH EAST
ALH ADO SULE	NORTH EAST
A.D BASHARU NIGERIA LIMITED	NORTH EAST
MADACI PHARMACEUTICAL COMPANY LTD	NORTH EAST
IBRAHIM SHUGABA ENTERPRISES	NORTH EAST
BUKAR KUMSHE GWOZA	NORTH EAST
MUSA ILLIYA	NORTH EAST
MAIKARFI AND SON (LARASAKI)	NORTH EAST
ALH LAWAN MUHAMMAD	NORTH EAST
DAUDA UMAR MUBI	NORTH EAST
ALHAJI JIMBA MUSTAPHA	NORTH EAST
ALI HASSAN BUDUM	NORTH EAST
ALH MUHAMMAD TANGA BIU	NORTH EAST
ALH KHALID YUSUF	NORTH EAST
DE-NAZA-KEN BUSINESS ENTERPRISES	NORTH EAST
ALH.BAPETEL CHAFAJAULE	NORTH EAST

NOBSAMS NIG LTD	EAST
VIC MUSOF	EAST
ODUDUBA	EAST
JOSHUA UMEH & SONS	EAST
ODILAMA NIG ENT LTD	EAST
MICHAEL UDO IMOWO	EAST
MARCOTY MULTI SERVICES LTD	EAST
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LINUS BASSEY EKPO	EAST
ANA INDUSTRIES	EAST
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CHIMA SONS ENT.	EAST
VEMY T GLOBAL RESOURCES	EAST
AKPAEDET VENTURES	EAST
OKIKE KINGSLEY CHUKWUEMEKA	EAST
CHIKWA INTEGRATED IN	EAST
EDISON UKEH	EAST
CYQUEM VENTURES	EAST
UGWU CHUKWUDI M	EAST
VIJIBUKS VENTURES LTD	LAGOS
OPEYEMI BAKING IND. LIMITED	LAGOS
BOFIK NIGERIA LIMITED	LAGOS
ALH KIKELOMO	LAGOS
ROYAL GATE COMMERCIAL CO.	LAGOS
ME-LEENA WORLD VENTURES	LAGOS
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LASOL NIGERIA ENTERPRISES	LAGOS
AFISURU NIG ENTER.	LAGOS
FINAL DIVINE ASSURANCE	LAGOS
MERCIFUL BUSINESS LT	LAGOS
MPLIFY LIMITED	LAGOS
TAIBELL VENTURES	LAGOS
LATOO VENTURES	LAGOS
OLASUBOMI INTERBIZ COMM.	LAGOS
CLEMZY STERLING RESOURCES LTD.	LAGOS
ARKLEEN OIL AND GAS LIMITED	LAGOS
SHOSEA SUPPORT SERVICES	LAGOS
MADAM FRANCES VENTURES	LAGOS
TRISECT NIG ENT	LAGOS
FULCRUM GOLDEN HERITAGE	WEST
MT. OLIVE NIGERIA LTD	WEST
SOSE OLUWASESAN	WEST
RIDWANULLAHI FARMS NIG	WEST
OLAOLUWA STORES	WEST
AKA OLATUNJI	WEST
ISIAKA AGBOLUAJE NIG. ENT.	WEST
KASALI RAJI	WEST
MUSA SIAHU NIG ENT.	WEST
HAJIA IGBA	WEST
RACHEL AREO VENTURES	WEST
TINACHRIS NIGERIA LI	WEST
BABSAY GLOBAL CONCEPT	WEST
HAJI MURITADAL	WEST
HAJAB OLORIEGBE MULT	WEST
HEAVY BROTHERS RESOURCES	WEST
CHIBEST CONFECTIONAR	WEST
CHISCO BEST	WEST
NASIRU OLUMINI ENTER	WEST
VEROYORI VENTURES	WEST

NOTES

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