

Notore

ANNUAL REPORT

2023



Champion of the African Green Revolution

Notore

Just like a soldier's strength, our fertilizers fortify your plants with essential nutrients, ensuring they stand tall and resilient against the toughest conditions. Watch your crops flourish and grow with unmatched vigor.



**We didn't earn the name
"KHAKIN SOJA" for no reason!**

Champion of the African Green Revolution

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Corporate Information



Notore is a vertically integrated agro-allied, chemicals, power and infrastructure company situated in Onne (near Port Harcourt), Rivers State, Nigeria. We are committed to helping Nigeria and the African continent become self-reliant in food production and economic wealth.

Notore is engaged primarily in the production and sale of premium fertilizer products. Notore’s current business comprises fertilizer production, supply and trading of fertilizer, seeds, and power. The Group’s primary fertilizer products are Granular Urea and Ammonia.



Directors

- Mr. Onajite P. Okoloko**
- Mr. Michael Osime**
- Engr. Mike Orugbo, JP**
- Mr. Ike Osakwe**
- Mr. Michael Jansa**
- Mr. Bashir Lebada**
- Mr. Femi Agbaje**
- Mr. Ohis Ohiwerei** *Group Managing Director/CEO*
- Mr. Tseyi Hammond**
- Mr. Ovie Ukiri**
- Mr. Ebiaho Emafo** *Deputy Managing Director*
- Mr. Yusufu Pam**
- Mr. Omar Taha** *(Appointed on 12th June, 2023)*

Group Company Secretary

Mrs. Otivbo Saleh
 6th Floor, Keystone Bank Building
 1, Keystone Bank Crescent
 off Adeyemo Alakija Street
 Victoria Island
 Lagos State

Auditor

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

Registered Office

Notore Industrial Complex
 Onne
 Rivers State
 Nigeria

Registration Number

640303

Principal Bankers

- **African Export-Import Bank**
- **Ecobank Nigeria Plc**
- **First City Monument Bank Plc**
- **Polaris Bank Limited**
- **Union Bank of Nigeria Plc**
- **United Bank for Africa Plc**



Our Mission

To enhance the quality of life.



OUR VISION

To be the number one company by market share and profitability in our chosen businesses and a significant contributor to the development of Africa.

Our Values

Our values define how we conduct our businesses and interact with our various stakeholders. As a world-class organisation, Notore functions on global best practices in all its operations and behaviour.

The following core values drive all we do at Notore:



LEADERSHIP

Taking bold steps to be a leader in new territories is part of who we are. We proffer innovative solutions to our stakeholders, which continuously positions us as a significant contributor to the development of Africa.



INTEGRITY

We apply integrity to all areas of business and expect the highest level from all employees. We ensure transparent and honest engagement with all stakeholders.



RESPECT

Working with mutual respect and appreciation of all stakeholder interests while acknowledging differences in culture and opinions.



EXCELLENCE

We aim to improve our processes to consistently provide premium products and services to our clients.



TEAMWORK

We focus on working as one to achieve our mission to enhance the quality of life.



RELIABILITY

We live to deliver consistently on our brand promises.

Financial Highlights



	2023	2022	% Change
	₦'000	₦'000	
Results			
Revenue from contracts with customers	21,545,162	32,304,988	-33%
Operating Income	(23,037,098)	7,223,379	-419%
Loss for the Year	(114,251,289)	(7,162,950)	1495%
Total Comprehensive Profit/(Loss) for the Year	(32,573,024)	22,349,487	-246%
Basic EPS (Naira)	(70.87)	(4.44)	1496%
Total Equity	42,805,013	75,378,037	-43%

Notore

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Notore Chemical Industries Plc. (the "Company"), will hold virtually via [Notore Tenth AGM - Link](#) on Thursday, 22nd August 2024 at 11.00am prompt, to transact the following business:

ORDINARY BUSINESS:

- A. To lay before members, the Audited Financial Statements of the Company and of the Group for the year ended 31st December 2023, together with the Reports of the Directors, Auditors and Statutory Audit Committee thereon.
- B. To re-appoint Messrs. Deloitte & Touche as the Company's External Auditors.
- C. To authorize the Directors of the Company to fix the remuneration of the External Auditors.
- D. To ratify the appointment of the following Directors who were appointed after the last Annual General Meeting:
 1. Mr. Thomas Etuh – Non-Executive Director
 2. Mr. Henry Imasekha – Non-Executive Director
 3. Mr. Femi Edun – Non-Executive Director
 4. Mrs. Vivien Shobo – Non-Executive Director
 5. Mr. Danjuma Etuh – Executive Director
 6. Mr. Theophilus Danjuma – Non-Executive Director
 7. Mr. Nelson Attah – Non-Executive Director
 8. Mr. Ishaya Danjuma – Non-Executive Director
- E. To re-elect the following Directors who in accordance with Section 285(2) of the Companies and Allied Matters Act ("CAMA"), 2020 are retiring by rotation, but are eligible and have offered themselves for re-election:
 - (i) Mr. Tseyi Hammond
 - (ii) Mr. Ovie Ukiri
 - (iii) Mr. Mike Osime
 - (iv) Mr. Yusufu Pam

(The profiles of the above-mentioned Directors for re-election are available in the Annual Report and on the Company's website: www.notore.com)
- F. To disclose the Remuneration of Managers in accordance with Section 257 of CAMA.
- G. To elect the Shareholder Representatives of the Statutory Audit Committee.

Printed copies of the Annual Report and Accounts for Notore Chemical Industries Plc for the financial year ended 31st December 2023 will be dispatched to the Shareholders, soft copies mailed to them electronically and made available on the Company's website: www.notore.com.

Dated this 25th day of July, 2024

By Order of the Board



MRS. OTIVBO SALEH

Group Chief Legal Officer/Company Secretary

FRC/2018/NBA.000000018956

Registered Office:

Notore Industrial Complex
Onne
Rivers State

NOTES

A. Closure of Register of Members

The Register of Members of the Company will be closed on 15th August 2024 in accordance with the provisions of Section 114 of CAMA, 2020 to enable the Registrars prepare for the AGM.

B. E-Annual Report

The electronic version of the Annual Report (“Annual Report”) is available online for viewing and download at www.notore.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request same from the Registrars.

C. Voting and Proxies

On a show of hands, every member present in person or by proxy shall have one vote, and on a poll, every member shall have one vote for each share of which he is the holder. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote instead of that member. A proxy need not be a member of the Company and all instruments of Proxy shall be at the Company’s Instance. Additionally, Shareholders may nominate any of the Directors as proxy.

Registered Shareholders who are unable to attend the Meeting and who wish to be represented at the Meeting, must complete and return the attached Form of Proxy in accordance with the instructions contained in the form, to the Registrars, *DataMax Registrars Limited, 2C, Gbagada Expressway, by Beko Ransome Kuti Park, Gbagada, Lagos*, not less than forty-eight (48) hours before the time fixed for the Meeting. The Company has made arrangements, at its cost, for stamping of the duly completed and signed Proxy Forms submitted to the Registrars within the stipulated time.

D. Virtual Meeting Link

Further to Part 1 Paragraph 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act, 2023, this AGM will be held virtually. The Virtual Meeting Link for the Annual General Meeting is provided above and will also be available on the Company’s website: www.notore.com.

E. Statutory Audit Committee

Section 404(3) of the Companies and Allied Matters Act, 2020, provides that the Statutory Audit Committee shall consist of two (2) Non-Executive Directors and three (3) representatives of the Shareholders of the Company.

In accordance with Section 404(6) of CAMA, any Shareholder may nominate another Shareholder for appointment to the Statutory Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Kindly note that the provision of Section 404(5) of CAMA requires all members of the Statutory Audit Committee to be financially literate and be knowledgeable in internal control process.

In view of the foregoing, nomination to the Statutory Audit Committee should be supported by a detailed curriculum vitae of the nominees, confirming the nominee’s qualification.

F. Profiles of Directors for Election/Re-election

Biographical details of Directors seeking election/re-election are provided in the Annual Report and on the Company’s website, www.notore.com.

G. Questions from Shareholders

Shareholders of the Company reserve the right to ask questions not only at the Annual General Meeting but also in writing prior to the Meeting on any item contained in the Annual Report and Accounts. For the good and orderly conduct of the Meeting, Shareholders are encouraged to kindly submit their questions in writing ahead of the Meeting. Such questions should be addressed to the Company Secretary and submitted to the Registered Office or by electronic mail at, companysecretariat@notore.com not later than 7 days to the date of the Meeting.

H. Live Streaming of the AGM

The AGM will be streamed live online to enable Shareholders and other relevant Stakeholders to follow the proceedings. The link for the live streaming of the AGM will be made available on the Company’s website: www.notore.com and by the Registrars in due course.

I. Website

A copy of this Notice, the electronic version of the Annual Report and other information relating to the Meeting can be found at www.notore.com.

Statement from the Board of Directors



A Year of Resilience and Growth

Our Esteemed Shareholders, Valued Partners, and Distinguished Guests, welcome to Notore's Tenth Annual General Meeting. We stand before you today, a year defined by resilience and growth. Despite significant obstacles, we have emerged stronger and more determined. Today, we unveil the Annual Report and Financial Statements for the year ended 31st December 2023, a testament to our relentless stability and commitment.

Group Highlights

The Nigerian agricultural landscape in 2023 presented a complex picture. While the demand for fertilisers remained high, the economic environment posed significant challenges. The Naira's devaluation, volatile foreign exchange markets, soaring inflation and rising interest rates all squeezed margins and impacted operations. Despite these headwinds, Notore Chemical Industries Plc ("Notore" or "the Company") demonstrated remarkable resilience. Let's now delve into the Company's financial performance for the year ended 31st December 2023.

Notore's revenue in 2023 (year-to-date) came in at ₦21.55 billion, a 33% decrease compared to ₦32.31 billion for the same period in 2022. The Company also experienced a larger loss in 2023, totalling (₦114.18) billion, compared to a loss of ₦16.04 billion in the prior year. This significant increase in losses can be attributed to several factors to wit: the rise in interest rates which increased the cost of borrowing money and strained the Company's finances. In addition, Notore faced unexpected disruption in its Natural Gas supply, a critical resource for its production process. This interruption caused delays and reduced Notore's ability to generate budgeted revenue within the period under review.

Securing Our Future, Safeguarding Food Security

Notore embarked on a strategic capital injection initiative as part of our commitment to sustaining the business and the Nigerian agricultural space. This initiative is intended to stabilise our operations and empower us to expand our reach and significantly impact the farming community to ensure a brighter future for our Company and the nation.

The potential global food crisis necessitates a robust and resilient domestic fertiliser industry. By securing additional capital, we are solidifying Notore's foundation and unlocking the potential to become a cornerstone of national food security. This influx of resources will allow us to scale our operations, enhance production capacity, and ensure a steady fertiliser supply to the farming communities across the country. In essence, this capital injection is an investment in the future of Nigerian agriculture, a safeguard against potential food shortages, and a commitment to nourishing our nation.

Fostering a Culture of Excellence and Growth

At Notore, achieving our strategic goals hinges on a solid Company culture. We are committed to cultivating an environment that fosters high performance and adherence to our core values. This translates into a workplace that rewards excellence while nurturing a sense of purpose and continuous learning.

The Board was particularly gratified to witness an increase in employee participation in internal training programs throughout 2023. This enthusiastic response demonstrates a shared commitment to the Company's values and a collective drive for continuous improvement. By prioritising performance and development, we empower our employees to excel in their roles and contribute meaningfully to Notore's success. This virtuous cycle ensures a motivated workforce is well-equipped to navigate the dynamic business landscape and deliver on our strategic vision.

Investing in Our Future: The Notore Cares Initiatives

Notore recognises its responsibility to extend its positive impact beyond its core operations. Through the Notore Cares Initiatives, we address critical social welfare concerns within our host communities, focusing on empowering our nation's lifeblood: its youth.

In 2023, we prioritised nurturing the next generation by providing access to education. We offered scholarships to deserving students through the Notore Scholarship Program and established an Undergraduate Scholarship Program. These initiatives equip young minds with the knowledge and skills to contribute meaningfully to Nigeria's progress.

Environmental Stewardship and Community Partnership

Environmental Responsibility: Notore is dedicated to operating sustainably and minimising our environmental footprint. In 2023, we participated in the Grand Convergence Event hosted by the Emir of Gombe, making a significant contribution by planting ten thousand trees. These carefully chosen local species will help combat deforestation and desertification as well as promote biodiversity and restore the region's ecological balance.

Investing in Our Communities: We believe our success is intertwined with the well-being of the communities we partner with. Our commitment extends beyond economic contributions, as exemplified by our participation in the Grand Convergence Event. This initiative reflects our ongoing efforts to create a positive social impact and ensure a sustainable future for all.

Notification of Board Changes

The Board is pleased to inform its esteemed Shareholders and the Investing Public of the following changes to the Board of Directors of Notore Chemical Industries Plc.: Resignation

"By securing additional capital, we are solidifying Notore's foundation and unlocking the potential to become a cornerstone of national food security."

Directors Who Resigned from the Board

Mr. Onajite Okoloko – Non-Executive Director

Mr. Onajite Okoloko was the Managing Director and the Chief Executive Officer of Notore Chemical Industries Plc from 2005 to 2021 when he retired as an Executive Director to become a Non-Executive Director on the Board. In 2005, he assembled a team of investors to acquire the assets of the former NAFCON and he is a core investor in the consortium that includes Emerging Capital Partners, a major private equity firm out of Washington, U.S.A, and OCI Fertilizers BV, now owned by the Orascom Group. He later successfully led the completion of the largest single loan syndication of Nigerian banks, when Notore raised US\$222 million from 7 Nigerian financial institutions.

Mr. Okoloko was one of the founding partners of the Ocean & Oil Group, which was incorporated in 1994. He was the Managing Director and Chief Executive Officer of Oando Energy Services from 1994 to 2006, an integrated oil service subsidiary of Oando. He is currently the Chairman of the Board of Directors of Midwestern Oil and Gas Plc.

Mr. Okoloko has over 25 years of experience in sales, marketing, and business development. He was appointed a member of the Presidential Committee on Oil & Gas in 2004 – 2005, as the sole representative of the private sector. This Committee was instrumental in developing the current oil and gas policy for the country. He was an active member of the Nigerian Economic Summit (Policy Formulation) group. Mr. Okoloko graduated from University of Benin, Nigeria in 1986, with a Bachelor's Degree in Economics and is also an alumnus of the Harvard Business School OMP Programme (2008). In 2011, he was named the inaugural winner of the Ernst & Young Entrepreneur of the Year Award in the Emerging Entrepreneur category for the West African Region. His resignation from the Board of the Company is effective 31st May 2024.

Engr. Mike Orugbo JP – Non-Executive Director

Engr. Michael Orugbo (JP) holds a BSc (Hons) degree in Instrumentation and Control Engineering from Teeside University, Middlesbrough (1983), UK. He is a leading Project Developer, EPIC and Human Capital Development Professional with over 30 years' experience in engineering services in the Oil and Gas Industry, Utility and Manufacturing Industries. He was a pioneer staff of WRPC, a subsidiary of NNPC and

participated in several major projects such as the Kaduna Refining and Petrochemical Company Limited's Lab Plant, Warri Refining and Petrochemical Company Limited's (WRPC) de-bottlenecking (expansion) Project, HF Alkylation Polypropylene and Carbon Black Plants (Green Field Projects).

His career at the Nigerian National Petroleum Corporation (NNPC) spanned from 1977 – 1979 and 1983 – 1989 respectively, where he rose to the position of Senior Instrumentation and Control Engineering Specialist. In 1989, he became the Founder, Managing Director/CEO of O-Secul Engineering Company, which later became O-Secul Nigeria Limited in 1997. He is a corporate member of the Nigerian Society of Engineers and is COREN certified. He has attended several technical courses in Europe and America and is vastly experienced in engineering services, consultancy and providing Hi-Tech maintenance support services in the Oil and Gas, Power, Food & Beverage Industries. Engr. Orugbo joined the Board of Notore Chemical Industries Plc. on 23rd January 2006 and served as the Chairman of the Technical Committee, Member, Statutory Audit Committee and Business Risk Committee. His resignation from the Board of the Company is effective 31st May 2024.

Mr. Michael Osime – Non-Executive Director

Mr. Michael Osime is the Managing Director and Chief Executive Officer of ICMG Securities Limited and Chairman of Broadband Technologies Limited, a telecommunications and IT solutions company. He is a qualified stockbroker with many years of banking and finance experience.

Mr. Osime has a degree in Actuarial Science, which he obtained from the University of Lagos in 1981 and also has an MBA from the Strathclyde Business School in Glasgow, obtained in 1985. He is a Fellow of the Chartered Institute of Stockbrokers. Mr. Osime's resignation is effective 31st May 2024

Mr. Ikeme Osakwe – Non-Executive Director

Mr. Ikeme Osakwe is a Chartered Accountant and practicing Management Consultant. He holds bachelor's (1975) and master's (1976) degrees in Chemistry from the University of Oxford and is an associate Member of the Institutes of Chartered Accountants both for Nigeria, and for England and Wales. Initially trained for four years at KPMG Audit in London, Mr. Osakwe recently retired as the Managing Director of GRID Consulting Limited – a company that he established in 1986 and which specializes in financial management advisory for

commerce, industry, governments, and NGOs. Thirty-two years later, he retired and sold this company to an American Corporation, on whose US Board he now sits.

Mr. Osakwe has over 40 years' experience in financial, strategic and corporate planning, as well as organizational and financial management systems development, both in Nigeria and internationally. He has brought his vast experience in the dynamics of most major industrial sectors to bear in his work on corporate governance. He has held several government and board appointments including a four-year term as a non-executive Board Member of the Federal Inland Revenue Service (FIRS). He currently serves on the boards of Oando Plc, Proton Energy Limited, and DAI Global LLC (a US-based global development corporation). He previously served on the Boards

of Leadway Pensure PFA and Red Star Express Nigeria Limited; and chaired the Boards of Thomas Wyatt Nigeria Plc and UBA Trustees Limited. Mr. Osakwe joined the Board of Notore Chemical Industries Plc. on 27th April 2007 and until his retirement was the Chairman of the Statutory Audit Committee, Business Risk Committee and the Nomination, Remuneration and Governance Committee. His resignation from the Board of the Company is effective 31st May 2024.

Mr. Mike Jansa – Non-Executive Director

Mr. Mike Jansa is a non-Executive Director of the Company and founding partner of Emerging Capital Partners. Prior to joining ECP, Mr. Jansa was a Vice President in GE Capital's structured finance group from 1995 – 2000, focused on the energy sector. Prior to joining GE Capital, Mr. Jansa was director of financial planning and analysis at Q2 Resource Television from 1994 to 1995. He began his career at Union Pacific Corporation and its oil and gas subsidiary, Union Pacific Resources, where he worked in a variety of financial positions.

Mr. Jansa received a bachelor of Business Administration degree in accounting from Iowa State University in 1982 and a masters' degree in Business Administration from the London School of Business in 1983. In addition to Notore Chemical Industries Plc, he has served on the Board of Pan African Energy Corporation (West Africa Upstream Oil and Gas), Wentworth Resources Limited (East Africa Upstream Oil and Gas), Ocean & Oil Investments Limited (Nigerian Integrated Energy Company), SOMDIAA Group, the Central Africa agri-business and NCT Necotrans, West Africa Logistics business.

Mr. Femi Agbaje – Non-Executive Director

Mr. Femi Agbaje is a Non-Executive Director and the immediate past Chairman of the Company. Until September 2018, he was the Chief Financial Officer of the Company. Mr. Agbaje began his career in 1979 as an Audit Trainee in Peat Marwick Cassleton Elliot & Co, where he qualified as a chartered accountant. Between 1991 and 1992, he served as an Executive Director in Kenneth Michael & Company and as Deputy General Manager in First Securities Discount House from 1992 to 1993. Mr. Agbaje served as head of Consumer Banking in United Bank of Africa from 1996 to 2002 and as Managing Director of Midas Bank from 2002 to 2006. Mr. Agbaje obtained a Bachelor's degree in History and Political Science from the University of Ife, Osun State, in 1979. He was made an Associate of the Chartered Association of Certified Accountants in 1984, and has been a member of the Institute of Chartered Accountants of Nigeria, since 1986. He was made a Fellow of the Chartered Association of Certified Accountants, UK in 1990.

Mr. Ebiaho Emafo – Executive Director

Mr. Ebiaho Emafo is the Company's Group Deputy Managing Director and its Chief Operating Officer. He is a graduate of the University of Benin. He also holds an MBA from Cardiff Business School, University of Wales College of Cardiff, and a Master's Degree in Logistics & Supply Chain Management from the University of Cranfield School of Management, UK. He is a Chartered Member of the Chartered Institute of Purchasing and Supply, United Kingdom. He has about thirty (30) years' experience in Administration, Procurement, Supply Chain Management, business start-up and transformation within the oil and gas industry, manufacturing, telecoms & Intergovernmental organizations. He has extensive experience and a proven track record in the delivery of key business results in dynamic and demanding commercial environments.

Prior to joining Notore Plc, he was the Managing Director/CEO of Eroton E & P, His previous experience includes working for the United Nations, Procurement Division, New York, on assignment to Entebbe, Uganda; responsible for developing as a start-up, the Regional Procurement Office and servicing UN Field Missions in Somalia, Sudan, South Sudan, Democratic Republic of Congo, Burundi, Central African Republic, Cote d'Ivoire, UNISFA, The United Nations Interim Force for Abyei & The United Nations Mission for Ebola Emergency Response (UNMEER). He was also the Regional Procurement Director for Zain Communications Limited (East & South East Africa), responsible for Uganda, Malawi, Tanzania,

Kenya, and Zambia. Other Positions held include Head of Purchasing Lafarge Nigeria Plc; Head, Procurement & Services Oando Plc; Head of Warehouse (Materials) and Head of Purchasing Total Upstream Nigeria Limited; Project Officer, United Nations Peace Forces; Former Yugoslavia, Administrative Office, Crown Prosecution Services, UK.

Mr. Hassan Badrawi – Non-Executive Director

Mr. Hassan Badrawi Mr. Hassan Badrawi is a Non-Executive Director in the Company. He holds the position of a Director and Chief Financial Officer of Orascom Construction Industries (OCI), prior to this role, he was the Director Corporate Business Development & Investments at OCI N.V. The Company is a global producer of natural gas-based fertilizers & industrial chemicals and an engineering & construction contractor based in Egypt and the Netherlands. The Fertilizer & Chemicals Group produces nitrogen fertilizers, methanol and other natural gas-based products, serving agricultural and industrial customers around the world. The Group ranks among the world's largest nitrogen fertilizer producers with current production capacity of approximately 16.1 million metric tons in the Netherlands, the United States, Egypt and Algeria with a market capitalization of about US\$5.5 Billion Dollars. Mr. Badrawi joined OCI in 2001 and holds a BA from the Duke University (USA) with a double major in Economics and Political Science and a minor in Literature, which he obtained in 1998. He joined the Board of Notore Chemical Industries Plc. on 7th February 2012. His resignation from the Board of the Company is effective from 18th May 2023.

Mr. Omar Taha – Non-Executive Director

Mr. Omar Taha who was appointed in the course of the 2023 Financial Year also resigned on 1st June 2024. He is the Director Corporate Business Development & Investments with OCI N.V., a world-leading producer and distributor of hydrogen products providing fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers globally, headquartered in the Netherlands, and listed on Euronext in Amsterdam, the Netherlands. Mr. Taha joined OCI in 2012 and currently oversees OCI N.V.'s corporate business development & investments and M&A activities. He holds a Bachelor of Commerce Degree from the University College, Dublin and a Master of Science and International Management from CEMS, the Global Alliance in Management.

Appointment of New Board Directors

Mr. Thomas Etuh – Board Chairman

Mr. Thomas Etuh is an accomplished and versatile individual with vast and dynamic experience in the Private Sector. A passionate leader with first-class communication skills and a track record of successful Corporate Management. He is a proven Administrator who ensures that clear objectives and expectations are delivered and sustained. A highly organized problem solver, with a methodical and meticulous nature and an eye for details. He is a team-oriented leader, with an even-keel temperament, whose values are strongly shaped and nurtured by the fear of God. Mr. Etuh is the founder of the Tak Group of Companies comprising Mainstream Energy Solutions Limited, Aero-Tak Limited, Tak Asset Management Limited, Superphosphate Fertilizer & Chemicals Limited, Funtua Fertilizer & Chemicals Limited and Tak Agro & Chemicals Limited. He is a past Chairman of the Board of Directors of Unity Bank Plc, prior to which he served as the pioneer Vice Chairman of the Board. He was also the Chairman of the Board of Directors of Veritas Kapital Assurance Plc from 2017 to 2022 and Lighthouse Capital Limited and currently the Chairman of the Board of EMTS/9Mobile Limited, and Trinitas Capital Limited (Family Office).

Mr. Etuh holds an MBA from the Business School, Netherlands, a diploma in Banking from Ahmadu Bello University, Zaria and an advanced diploma in Public Administration from the University of Jos. He also has a postgraduate diploma in Management from Abubakar Tafawa Balewa University, Bauchi. Mr. Etuh has attended many Business and Management Courses and Trainings in Nigeria and abroad including the Chief Executive Programme at the Lagos Business School, the Advanced Management Programme at the University of Navarra, Barcelona and the Leadership Programme at the London Business School. As the Chairman of Jennifer Etuh Foundation (JEF), he has championed several health and life empowering projects as a dedicated humanitarian.

Mr. Henry Imasekha – Non-Executive Director

Mr. Henry Imasekha is a Chartered accountant by training who has spent a significant part of his professional life in Banking. He started work at the International Merchant Bank in 1982 and had a career spanning Credit and Marketing, Corporate Banking, Investment Banking and Treasury Management. He later joined the newly privatized UBA as Executive Director of Investment Banking and subsequently served as the Executive Director of the Corporate Bank. Mr. Imasekha was a Pioneer Director, and one of the promoters of Econet

Wireless Nigeria Limited (Now Airtel) and contributed immensely to the early development of the mobile telephony industry in Nigeria. Mr. Imasekha is also a co-founder of CYBERSOC Africa Limited, one of the leading Cybersecurity companies in Nigeria, providing world-class protection to several quoted banks, the CBN and large organizations in the public and private sectors of the economy.

Mr. Imasekha is a Fellow of the Institute of Chartered Accountants (FCA) and holds a master's degree in Business Administration (MBA) from the City University Business School, London. Mr. Imasekha has attended many Professional Management and Executive Development Courses, including the Advanced Management Programme (AMP) at the Harvard Business School, the Corporate Strategy Programme at the Massachusetts Institute of Technology (MIT) and the Advanced Management Programme at Oxford University, Oxford.

Mr. Femi Edun – Non-Executive Director

Mr. Femi Edun currently holds directorship in Emerging Markets Telecommunications Services Limited, operating as 9mobile. He is an Independent Non-Executive Director on the Board of Chevron Closed Pension Fund Administrators Limited and the Chairman of the Board of Craneburg Construction Limited Director. He was the Managing Director of Frontier Capital Limited from 2005 to 2016 and currently seats on the Company's Board and its other affiliated special purpose vehicles as a Non-Executive Director. While at the helms of Frontier Capital Limited, Mr. Edun led the development of major advisory mandates and pioneered development of proprietary investment business spanning investments in Real Estate, Financial Services, Technology and other sectors. He led the development of debt restructuring and resolution advisory business involving over N500 Billion of distressed debt, culminating in the formation of Frontier Capital Alternative Assets Limited, the pioneer privately owned acquirer of distressed and non-performing Bank loans in Nigeria.

Mr. Edun started his career in the prestigious accounting firm of Akintola Williams & Co in 1987 as an Audit Trainee and rose to the rank of a Senior Consultant in AW Consultants Limited. He joined Price Waterhouse in 1991 as a Senior Consultant in the Financial Services Consulting Group providing Business Information, Training, Consulting and Advisory Services to Banks and other Financial Service Institutions. He moved to Augusto & Co. Limited and held a number of key positions in the rating Company, including the Managing Consultant responsible for the

Strategic Management and Financial Advisory practice of Augusto & Co. Limited. Following his role as the Managing Consultant in 1999, Mr. Edun exited Augusto & Co. to become a Partner in Alliance Consulting.

Mr. Edun holds a 2nd Class Upper Honours in BSc Accounting University of Ife in 1987. He qualified as a Chartered Accountant in November 1988 and currently a Fellow, Institute of Chartered Accountants of Nigeria (ICAN). He has also attended several local and foreign courses like the Advanced Company Direction Programme 9 Institute of Directors UK & Nigeria, QSR Franchise Investor Programme AFC Inc. (A Pepsico Spin-off), Atlanta GA - 2004 and the FRC Mandatory IFRS Training for Company Directors PML Advisory Limited – 2014.

Mrs. Vivien Shobo – Non-Executive Director

Mrs. Vivien Shobo is the Chief Executive Officer of FVS Advisory Partners. Between September 2003 and December 2019, she was the Chief Executive Officer of Augusto & Co, the foremost Pan African credit rating agency and leading provider of economic and industry research in Nigeria & Sub-Saharan Africa. Vivien left Augusto & Co. with an outstanding record of achievements, the most significant being fortifying Augusto & Co's formidable market position as a leading Pan African credit rating agency and diversifying the company's product and revenue base. In September 2020, Vivien Shobo was chosen from amongst her peers by the African Banker Awards Committee, as the winner of the African Banker Icon Award (the most prestigious event in Africa's banking and finance sector), in recognition of her exemplary career and work at the helm of Augusto & Co, which was described as "truly pioneering and has helped transform capital markets in Nigeria and beyond. During her tenure as CEO, Augusto & Co. achieved many milestones. She led the Company's African expansion initiatives by obtaining Credit Rating Agency licences from the Capital Market Authorities of Kenya and Rwanda in 2015. In the same year, Augusto & Co birthed Augusto Consulting (a subsidiary engaged in consulting, business advisory and training business). In 2017, Augusto & Co launched the AMI (Agusto Market Intelligence), an online portal that provides sound analyses of critical industries and companies.

Vivien is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and she has an MBA (Finance) from the Manchester Business School, United Kingdom. Vivien has also attended Management and Leadership programmes at esteemed institutions including, Harvard Business School, Wharton Business School, and the

Lagos Business School. Her current Board appointments are on Okomu Oil Palm Plc, Infrastructure Credit Guarantee Company Limited (Infracredit) and FMDQ Clear Limited as Independent Non-Executive Director.

Mr. Nelson Ugbede Attah – Non-Executive Director

Mr. Nelson Attah is an Investment Banker, Fund Arranger, Portfolio Manager and Entrepreneur. He is currently the Group Managing Director of Lighthouse Capital Limited and responsible for driving the Vision and Strategic Business initiative of the Company as well as overseeing the core business dynamics arms of the Company. This includes Financial Advisory, Investment Banking, Asset Management, Registrar Services, and other related financial initiatives and activities. Prior to joining Lighthouse Capital Limited, Mr. Attah was the Head of Investment at Veritas Glanvills Pensions Limited and this role, he strategically grew Veritas Pension Funds Under Management from ₦60 Billion to ₦120 Billion (US\$164m to over US\$328m) within two (2) years and ensured that Funds/Schemes operated effectively. He was also Head, Fund/Portfolio Management at Tak Asset Management Limited from June 2017 to May 2018. He performed key role in the management of the Assets of the operating Companies across several sectors with portfolio valued in excess of US\$2billion under the Holdco structure of TAK GROUP. He Incubated Veritas Capital which successfully executed the Mergers & Acquisitions of Unity Kapital Assurance worth over ₦10 Billion.

Mr. Attah is a fellow of the Chartered Institute of Stockbrokers 1568 with over Eighteen (18) years Capital Market Experience, over Nine (9) years of which is at C-suite level. He is a UK approved person with over US\$10 billion in Asset Management. He is a Nigerian Securities and Exchange Commission (Sponsored Individual) authorized Dealing Clerk and Fund Manager; an authorized Dealing Clerk with the Nigerian Exchange Group; PenCOM authorized Investment Manager. Mr. Attah obtained a B.A. in Public Administration from the Ahmadu Bello University Zaria in 2004 and MBA from the Business School of Netherland in 2019. He also holds membership of the Commodities Brokers Association of Nigeria, Chartered Institute for Securities & Investment UK and the Nigerian Institute of Management. Appointed on 1st June 2024.

Mr. Theophilus Danjuma – Non-Executive Director

Mr. Theophilus Danjuma is an enthusiastic and hard-working individual. He graduated from the University of Nottingham with BA Honours in History and Politics and

holds a CIM Professional Diploma in Marketing from the London School of Marketing and CIM Professional Certificate in Marketing from the same institute. He currently seats on the Boards of TY Towers, South Atlantic Petroleum, TY Logistics Park, TY Danjuma Foundation, Drilling Petro Dynamics, TY Danjuma Family Office NAL Comet Group, the Wheatbaker Hotel, TY Holdings Limited, Danjuma Collection/Grace Gallery and Stirling Trust Company Limited.

Mr. Danjuma is passionate about art and nature. He held Committee Membership of the Painting and Sculpture Acquisitions Committee of the Museum of Modern Art (MoMA) for five years (2015 – 2020). He has garnered experience in the set up and establishment of contemporary art business from the commencement of his business plan works with Grace Gallery to seeking private equity investment and growing the Company's portfolio from an initial 20 pieces of art to over 550 works of art. Negotiated with galleries on all sales, coordinated delivery and cataloguing of all works. Mr. Danjuma represented the Company at major art fairs of Frieze London, Basel, Frieze New York and has established strong working relationships with major galleries throughout Europe and the United States. He also Liaised and arranged for regular portfolio valuations from Gurr Johns, Sotheby's, Christies and Phillips.

Mr. Danjuma Abdul-Kadiri Etuh – Deputy Managing Director

Mr. Danjuma Etuh started his career with TAK Continental Limited as the Company's Business and Operations Manager in 2004 and joined TAK Agro & Chemical Limited in 2007 as an Executive Director in charge operations. He was the Managing Director of Matito Agro & Chemicals Limited and was responsible for the purchase and sale of Assorted Brands of Fertilizer, a start-up company that witnessed a growth from ₦500 million sales value in 2020 to over ₦25 billion worth of fertilizer sales in 2023. He implemented a customer-centric approach that increased customer satisfaction and loyalty, evidenced by the significant growth in the business. Prior to his role at Matito Agro & Chemicals Limited, he was the Chief Executive Officer of Superphosphate Fertiliser & Chemical Limited and managed the Company's Operations, Systems and Strategies for new and old locations within the Company. He also superintendent and managed the Company's assets worth of over ₦15 Billion with an increased production capacity of over 2,000% and more than 3 million bags of assorted fertilizers annually after reinvigorating the Company's underperforming Fertilizer Plant within six (6) months.

He negotiated and secured Government Contract worth ₦2 Billion for the production and sale of assorted

fertilizer during his time at Superphosphate Fertiliser & Chemical Limited. He reduced the Company's Corporate Indebtedness by 50% and increased Gross Revenues by 80% through aggressive cost reduction and improved cash collections through direct open market sales. He managed the installations and upgrades of blending Plant projects from conception, pre-production through to completion and was responsible for over three hundred (300) direct employees and nine hundred (900) indirect employees that are managed through four (4) direct associated subsidiary Companies.

Mr. Etuh holds a Bachelors' of Engineering (Mechanical) from Ahmadu Bello University, Zaria in 2003; an Advanced Management Program from the Lagos Business School in 2010 and an MBA from Business School of Netherlands 2016. He is a member of the Institute of Mechanical Engineering (IMECHE) London.

Mr. Ishaya Danjuma – Non-Executive Director

Mr. Ishaya Danjuma holds Directorship in Wheatbaker Investments & Properties; Beverly Development & Realities; Dangil Holdings; TY Holdings Limited, Apave Nigeria Limited; NAL – Comet Group of Companies Limited; Dominion Rice and Integrated Farms Limited; Unitrust Limited; Capital Club West Africa; Industrial & Medical Gases Nigeria Plc; South Atlantic Petroleum and TY Danjuma Foundation. Mr. Danjuma attended Santa Monica College in California, USA from 1999 to 2003 and the Owner Management Programme at the Lagos Business School in 2018. He has also attended courses locally and abroad. Some of which include Hospitality Trainings and courses on International Oil & Gas Business Management. His other work experience in the area of operations are in IMK Investments Limited, EOA Reality Company and Central Realities.

Conclusion

As we look towards the horizon, we are confident that the year ahead will be marked by significant progress. Once the strategic capital injection is completed, it will position us for a strong rebound, enabling us to stabilise operations and embark on a new chapter of growth. With commitment from our leadership team, a dedicated workforce, and the continued support of our valued Shareholders, Notore is poised to emerge stronger and more resilient than ever before.

We extend our sincere gratitude for your enduring confidence in Notore. Your continued belief in our mission is our greatest source of strength. Together, we will navigate the challenges ahead and ensure that Notore remains a pillar of the Nigerian agricultural sector, contributing to a brighter future for our nation's food security.

Thank you, ladies and gentlemen.

Group Chief Executive Officer's Statement



Mr. Ohiwerei

Group Chief Executive Officer



Introduction

Distinguished Shareholders, Board members, Regulatory Representatives, and Esteemed Guests, as we gather today for Notore Chemical Industries Plc's ("Notore" or "the Company") 10th Annual General Meeting, I approach this address with a sense of responsibility and deep reflection of the year's journey. Notore navigated numerous obstacles in an exceptionally demanding environment, testing our organization's resilience and adaptability. In this statement, I will aim to provide a clear overview of our Company's performance amidst these challenges, highlighting our strategic initiatives and the influence of prevailing market conditions on our trajectory.

Operating Environment

In 2023, the Nigerian fertiliser manufacturers navigated a complex landscape of challenges and opportunities, and the Company was not insulated from these whirlwinds. This environment was influenced by various factors that shaped the agricultural industry's direction during the period. Agriculture continued to be a cornerstone of Nigeria's economy, driven by a growing population's demand for food and fertilisers. However, this demand fluctuated due to changes in global commodity prices, climate change's impact on crop patterns, and evolving farming practices. Government policies further played a crucial role in shaping the industry's trend.

The country's economic factors added another layer of complexity to the situation as currency fluctuations and broader economic instability posed significant challenges for manufacturers. Exchange rate volatility affected raw material costs, import expenses, and pricing strategies, impacting profitability and competitiveness in the domestic and international markets.

Sociopolitical factors, including security concerns, social unrest, and regulatory uncertainties, further complicated the operating environment as manufacturers had to prioritize the safety of their personnel, protect assets, and ensure business continuity amid these disruptions. The key to success in this dynamic environment is embracing new trends while effectively mitigating risks.

Navigating Challenges & Focusing On Resilience

The year 2023 presented significant challenges for Notore, as the unexpected loss of gas supply from a key source severely disrupted our production capabilities and adversely affected our financial results. Additionally, the economic environment was impaired by the devaluation of the Naira, substantial foreign exchange volatility, and



high costs of funds driven by changes in the Monetary Policy Committee (“MPC”) rates. Nigeria also witnessed a rise in its annual inflation rate, peaking at 28.92%, a twenty-year high during this period.

In light of these factors, Notore’s consolidated group revenue for the year ended 31st December 2023, amounted to ₦21.55 billion, a 33% decrease from the ₦32.31 billion recorded for the same period in 2022. The Group also reported a year-to-date loss of ₦114.18 billion, primarily due to exchange rate fluctuations and the increased cost of funds, compared to a loss of ₦16.04 billion for the same period in the previous year.

Despite these financial setbacks, Notore remains committed to overcoming these challenges to drive the desired growth initiatives for the business. In this regard, we embarked on a significant journey to raise equity for the Company, a strategic move aimed at stabilising and expanding Notore’s operations. This initiative represents our commitment to strengthening the Company’s foundation and unlocking new avenues for growth. By securing additional capital, we are setting the stage for greater resilience and the potential to scale our operations, ensuring that Notore is well-positioned to meet future challenges and seize emerging opportunities.

We remain optimistic about the future, and we are focused on leveraging Notore’s inherent strengths to drive sustainable growth and create value for our Stakeholders.

2024 Outlook

Strengthening Brand Equity through People and Operational Efficiency for Greater Consumer Visibility
The Notore brand has long been one of our most valuable assets. In 2024, we are setting out to strengthen it further by increasing consumer visibility and reinforcing our reputation for quality, innovation, and sustainability. Our approach is rooted in a deep understanding of market trends and a commitment to aligning with consumer values.

Our marketing strategy for 2024 includes targeted campaigns designed to engage and resonate with our audience. By sharing compelling stories about our products and the people who make them, we aim to foster a deeper emotional connection with consumers. This outreach extends beyond traditional media, as we’re also investing in community engagement, creating meaningful interactions that highlight our commitment to making a positive societal impact and enhancing the quality of life. A key component of our strategy is the development of our employees, recognising their central

“The Notore brand has long been one of our most valuable assets. In 2024, we’re setting out to strengthen it further by increasing consumer visibility and reinforcing our reputation for quality, innovation, and sustainability.”

role in the Company’s sustainability drive. In 2024, we will focus on fostering a culture of continuous learning, providing ample opportunities for career growth, and empowering our workforce with the skills they need to excel. This investment in our people enhances our internal capabilities and contributes to our ability to deliver exceptional value to customers and stakeholders.

As we look ahead, Notore is dedicated to operational efficiency and cost-cutting measures to strengthen our financial health. By streamlining processes and reducing unnecessary expenses, we aim to bolster our financial stability and position the Company for long-term success. Our commitment to operational excellence ensures that we continue to deliver value while exploring new opportunities for growth. With a clear focus on sustainability and efficiency, we are optimistic about what lies ahead and excited to continue this journey with all of you.

Passion Drives Success

I want to extend my sincere gratitude to everyone who has been part of Notore’s journey through one of the most challenging years in our history. To our Shareholders, thank you for your consistent support and trust in our leadership. And to our esteemed Board of Directors, your guidance and expertise have been invaluable in steering us toward a brighter future. Let us embrace the challenges as opportunities for growth and innovation. Our collective strength, determination, and optimism will drive us to new heights. I am confident that with your continued support, we will overcome the hurdles and achieve our goals, fostering success and prosperity for everyone involved with Notore.

Thank you for your continued support as we work towards our vision for a brighter and a more sustainable future. We believe that by building on our brand’s strong foundation, we can achieve remarkable growth and create lasting connections with consumers.



Ohis Ohiwerei
Group Chief Executive Officer

Board of Directors



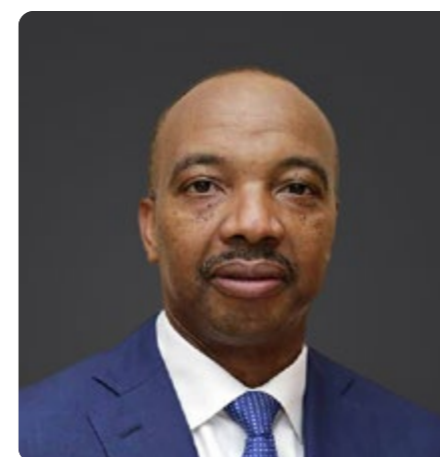
Mr. Ohis Ohiwerei
Group Chief Executive Officer

Mr. Ohis Ohiwerei is the Group Managing Director and Chief Executive Officer for Notore Chemical Industries Plc. In this capacity, he is responsible for the day-to-day operational and financial management of the company. Mr. Ohiwerei also oversees the enhancement of efficiency levels across the business and improving profitability as well as supporting the development of the growth strategy of the business. He joined the company in 2018.

Prior to his appointment at Notore, Mr. Ohiwerei’s career was in the financial services industry. He retired from the banking industry after 24 years, as Executive Director at Guaranty Trust Bank Plc, where he was responsible for Commercial Banking and Public Sector, Lagos. Prior to that, he was Chief Financial Officer and also an Executive Director at Diamond Bank Plc.

Mr. Ohiwerei currently serves on the board of AXA Mansard Nigeria Plc as an Independent Director where he chairs the Audit and Compliance Committee and is a member of the Governance and Remuneration Committee. He also serves on the board of Orange One Finance Limited as an Independent Director. He has served on the boards of the following companies: Guaranty Trust Bank Plc, Nigeria; Guaranty Trust Bank, Sierra Leone; Diamond Bank Plc, Nigeria; and ADIC Insurance, Nigeria.

Mr. Ohiwerei holds a Bachelor of Engineering degree from the University of Benin and a Master’s in Business Administration from the same institution. He has attended the Advanced Management Program at the Harvard Business School and the Advanced Strategic Management program at the IMD Business School in Switzerland.



Mr. Onajite Paul Okoloko

Mr. Onajite Okoloko is a founding partner of Notore Chemical Industries Plc (Notore) - an agro-allied chemicals and infrastructure company and the premier producer of urea fertilizer in Sub-Saharan Africa. In 2005, he assembled a team of investors to acquire the assets of the former National Fertilizer Company of Nigeria (NAFCON) and is a core investor in the consortium that includes Emerging Capital Partners (ECP), a major private equity firm out of Washington, DC, U.S.A and the Orascom Group. He later successfully completed the largest single loan syndication of Nigerian banks when Notore raised funding from 7 Nigerian financial institutions. Mr. Okoloko is the Chairman of Eroton Exploration & Production Company Limited and Chairman of Midwestern Oil and Gas Plc.

He is a founding partner of the Ocean & Oil/Oando Group and is a former member of the Board of Union Bank of Nigeria Plc. Before his return to Nigeria in 1994, Mr. Okoloko worked in corporate America and has over 20 years of experience in sales, marketing, and business development. He was appointed Nigeria’s Presidential Committee on Oil and Gas member in 2004 as the sole private sector representative. This committee was instrumental in developing the country’s current oil and gas policy. He is an active Nigerian

Economic Summit (Policy Formulation) Group member. He is also a member of the National Technical Working Group of the Nigeria Vision 2020. He is a member of Nigeria’s President’s Agricultural Transformation Implementation Council, inaugurated in May 2012.

Mr. Okoloko was appointed an inaugural member of the Human Capital and Innovation Capacity Building Working Group of the National Competitiveness Council of Nigeria in 2014. Mr. Okoloko graduated from the University of Benin, Nigeria in 1986 with a Bachelors Degree in Economics and is also an alumnus of the Harvard Business School. In 2011, he was named the inaugural winner of the Ernst & Young Entrepreneur of the Year Award in the Emerging Entrepreneur category for the West Africa region. He is an avid cricketer and served on Nigeria’s National Cricket Board. He is a keen advocate for the development of cricket in Nigeria.



Mr. Michael Osime

Mr. Michael Osime is the Managing Director and Chief Executive Officer of ICMG Securities Limited and Chairman of Broadband Technologies Limited, a telecommunications and IT solutions company. He is a qualified stockbroker with many years of banking and finance experience.

Mr Osime has a degree in Actuarial Science, which he obtained from the University of Lagos in 1981 and also has an MBA from the Strathclyde Business School in Glasgow. He is a Fellow of the Chartered Institute of Stockbrokers.

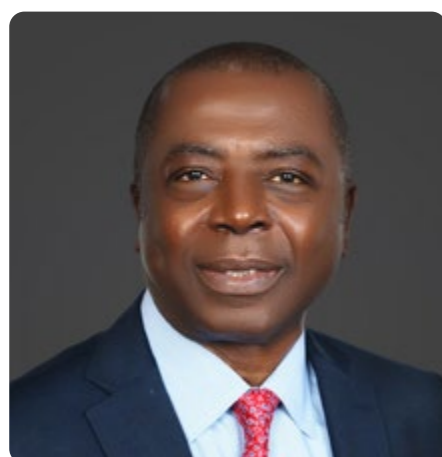


Engr. Mike Orugbo JP

Engr. Mike Orugbo JP, who holds a bachelor's degree in Engineering from Teeside University in the UK, is a leading EPIC and Human Capital Development Professional with over 28 years experience in engineering services in the Oil and Gas Industry, participating in several major projects such as KRPC Lab Plant, WRPC de-bottlenecking (expansion) Project, HF Alkylation Polypropylene and Carbon Black Plants (Green Field Projects).

He worked with the Nigerian National Petroleum Corporation (NNPC) for several years and rose to the position of Senior Engineer, WRPC. In 1989, he became the Managing Director/CEO of O-Secul Engineering Company, which later became O-Secul Nigeria Limited in 1997.

He is a corporate member of the Nigerian Society of Engineers and is COREN certified. He has attended several technical courses in Europe and America and is vastly experienced in engineering services, consultancy and support systems in the oil and gas industry.



Mr. Ikeme Osakwe

Mr Ike Osakweisa Chartered Accountant and practising Management Consultant. He holds bachelors' and masters' degrees in Chemistry from the University of Oxford and is an associate Member of the Institutes of Chartered Accountants both for Nigeria, and for England and Wales. Initially trained for four years at KPMG Audit in London, Ike is recently retired as the Managing Director of GRID Consulting Ltd. – a company that he established in 1986 and which specializes in financial management advisory for commerce, industry, governments, and NGOs.

Mr. Osakwe has over 40 years' experience in financial, strategic and corporate planning, as well as organisational and financial management systems development, both in Nigeria and internationally. He has brought his vast experience in the dynamics of most major industrial sectors to bear in his work on corporate governance.

He has held several government and board appointments and currently serves on the boards of Oando Plc., Proton Energy Ltd., and DAI Global LLC (a US-based global development corporation). He previously served on the boards of Leadway Pensure PFA and Red Star Express Nigeria Ltd; and chaired the boards of Thomas Wyatt Nig. Plc. and UBA Trustees Ltd.



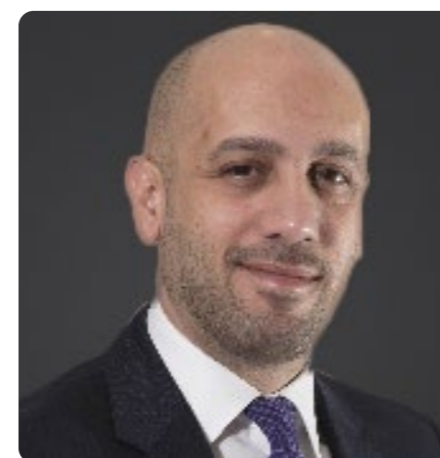
Mr. Michael Jansa

Mr. Michael Jansa is a Managing Director and founding partner of Emerging Capital Partners (ECP). Mr. Jansa is responsible for identifying, analysing and recommending investments, performing due diligence and leading transaction teams. Prior to ECP's spinout from EMP Global (EMP), Mr. Jansa had been a Director with EMP since 2000.

Before joining EMP, Mr. Jansa was a Vice President in GE Capital's structured finance group. He was a manager for the firm's \$580 million investment fund focused on emerging market power investments. In this capacity, he analysed, valued and recommended various equity and debt investments and joint ventures in the energy and transport sectors.

Before joining GE Capital in 1995, Mr. Jansa was director of financial planning and analysis at Q2 Resource Television. He began his career by spending nine years with Union Pacific Corporation where he became manager of the corporate finance group.

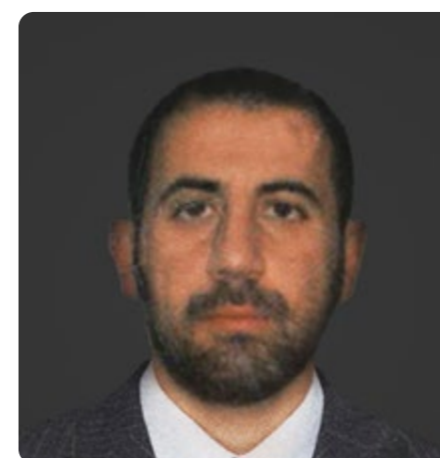
Mr. Jansa received a bachelor of business administration degree in accounting from Iowa State University [and a master of business administration degree from the London School of Business He has served on the Board of the Pan African Energy Corporation and currently is on the board of the SOMDIAA Group, a key player in the African food-processing industry.



Mr. Hassan Badrawi

Mr. Hassan H. Badrawi holds the position of Director at the Cairo based Orascom Construction Industries (OCI). Mr. Badrawi joined OCI in 2001. Currently, he oversees the Group's new investments, project development and investor relations activities. Mr. Badrawi holds a bachelors degree from the US-based Duke University with a double major in Economics and Political Science and minor in Literature.

OCI is listed on the Cairo and London stock exchanges with a market capitalization exceeding US\$4 billion. The group's primary activities include construction and the production of fertilisers. The OCI Construction Group is the largest in the Middle East and North Africa region. The OCI Fertiliser Group has plants in Egypt and Algeria, with a total production capacity approaching 4 million tons of nitrogen-based fertiliser.



Mr. Bashir Lebada

Mr. Bashir Lebada manages Orascom Construction Industries' (OCI) investments and project development. Mr. Lebada joined OCI in 2007. He is responsible for identifying and analyzing potential investments and projects and the ensuing involvement in successful initiatives.

Mr. Lebada holds a bachelors degree from the University of Western Ontario (Canada) with a double major in Finance and Accounting and a minor in Economics.

**Mr. Femi Agbaje**

Mr. Femi Agbaje is the former Chief Financial Officer of Notore Chemical Industries Plc and served in this capacity for over ten years. Upon joining the company, Mr. Agbaje led his team in successfully raising \$222 million for the rehabilitation of the Notore fertilizer plant located in Onne, Rivers State.

Mr. Agbaje joined Notore with extensive experience in finance acquired through multiple positions he has held over the years. Femi began his career as an Audit trainee and since moved into roles with increasing responsibility therefore expanding his knowledge in the field. He has served as Executive Director, Deputy General Manager, Head of Consumer Banking and Managing Director in companies such as Kenneth, Michael & Company; First Securities Discount House; UBA and Midas Bank.

He holds a Bachelors in History and Political Science from the University of Ife, Osun state Nigeria. He has been a member of the Institute of Chartered Accountants of Nigeria since 1986 and a Fellow of Chartered Association of Certified Accounts, UK since 1990.

Mr. Agbaje is an avid swimmer and golfer. He enjoys travelling and loves spending time with his wife and children playing scrabble.

**Mr. Tseyi Louis Hammond**

Mr. Tseyi Hammond's professional career spans 18 years and he currently oversees the sales and trading operations of FBNQuest Merchant Banks Sales Division. The division currently services both offshore and domestic clients in their requirements, from pre trade analysis and trade idea generation, to structuring, execution and post trade management across equities, fixed income, foreign exchange and derivative products.

Prior to FBNQuest Merchant Bank, Tseyi was based in London where he worked at Marinvest, a European long short hedge fund as Head of Trading. He also held positions as head of listed derivatives sales and structuring at Liquid Capital Securities in London and a listed derivatives Sales Trader at the investment bank, Pali International. He started his career at Bloomberg in Institutional Sales covering fund managers and hedge funds.

He studied Mechanical Engineering with Business Finance at University College London (UCL), a Masters degree in Investment and Finance and holds the UK's FCA Investment Management Certificate (IMC).

**Mr. Ovie Ukiri**

Mr. Ovie Ukiri is a lawyer with combined honors bachelor's degree in Law and Economics from the University of Keele, Staffordshire, England and a Master of Laws degree in Tax from Kings College London. He has over 30 years practice experience at the Nigerian Bar, is a Fellow of the Chartered Institute of Taxation of Nigeria and a CEDR accredited Mediator.

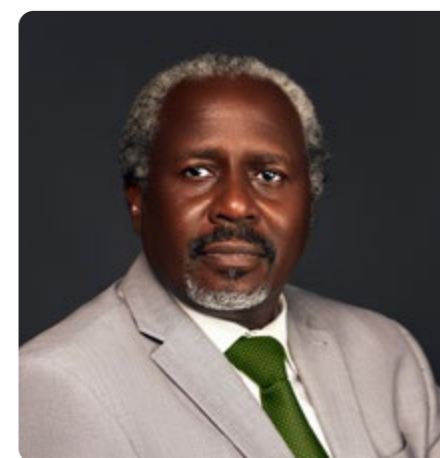
Mr. Ukiri currently practices law as a Senior Partner of the law firm of Ukiri & Lijadu, a leading commercial law practice in Nigeria with offices in Lagos and Abuja. He specializes in corporate commercial law with an emphasis in Oil & Gas and Taxation; Regulatory and Compliance law and Alternative Dispute Resolution methods.

Mr. Ukiri regularly advises companies, including International companies in Nigeria on a wide range of matters including the negotiation and drafting of industry specific agreements, financial and technical services arrangements, compliance and regulatory issues and developing strategy in litigation matters. He has written several articles and commentaries on taxation of companies in Nigeria and is a member of several other Boards of Directors.

**Mr. Ebiaho Emafo****Group Deputy Managing Director**

Mr. Ebiaho Emafo is the Chief Operating Officer and Deputy Managing Director of Notore Chemical Industries Plc. With over 25 years of progressive global experience driving positive bottom-line results for companies (local, international, public and private) by providing overall strategic vision and leadership, his focus is on financial development, staff development, and organizational excellence. Mr. Emafo has worked in various capacities in his professional career, playing key executive management roles in Lafarge S.A.; Celtel and Zain International in the Netherlands and East Africa respectively; Airtel in Ghana and the United Nations in New York, USA. Mr. Emafo was the immediate past Managing Director of Eroton Exploration & Production Limited. Other roles he has held include Head, Purchasing at Total Upstream and Project Officer at the UN Peace Forces.

He possesses a unique combination of two Graduate Business Degrees. An MSc in Supply Chain Management & Logistics from Cranfield University, UK and an MBA from University of Wales, College of Cardiff, UK with other Executive Management courses at Oxford University, Colorado School of Mines, London Business School and Stanford University.

**Mr. Jonathan Yusufu Pam**

Jonathan Yusufu Pam studied Law (LLB) at the Ahmadu Bello University, Zaria and was called to the Nigerian Bar in 1986. He obtained an LLM from the University of London in 1995 as a Chevening Scholar of the British Council and interned with The Interrights Organisation and Human Rights Watch in London, both globally renowned organisations.

He has held various positions including Chairman, Civil Liberties Organisation, Plateau State (1994 to 1997), Chairman, Nigerian Bar Association, Plateau State (2000 to 2002), Attorney General and Commissioner for Justice, Plateau State and Special Adviser on Youth and Sports to the Government of Plateau State (2002 to 2004).

Jonathan is a private legal practitioner and the Managing Partner in the law firm of J.Y. Pam and Company. He is a corporate lawyer with extensive experience in commercial law and practice and acts as legal adviser/external solicitor to several corporations, financial institutions and governments on matters regarding corporate law, company incorporation, taxation, criminal law and civil litigation.

Jonathan's law firm offers pro bono services as attorneys acting on behalf of indigent persons unable to afford legal services in collaboration with the Nigerian Bar Association and the Nigerian Legal Aid Council.

In the course of his service as Attorney General and Chief Law Officer he represented the State in high profile litigation, both civil and criminal, and performed critical roles in inter-governmental affairs and matters of constitutional interpretation.

He is currently the Chairman, Board of Trustees, of the James and Elizabeth Pam Foundation, a not-for-profit organisation, established with the objectives of Peace-building, Inter-communal mediation and Youth Development. The Foundation engaged in extensive peace-building work in Plateau State which received national and international acclaim and resulted in collaborative work with the Geneva-based HD Center for Humanitarian Dialogue.

Jonathan has attended numerous capacity-building courses in prestigious Universities including The Harvard Business School in Boston, USA and The Columbia Business School in New York, USA where he studied Risk Management for Corporate Leaders, Leading Change for Organisational Renewal and High Impact Leadership.

Jonathan also served as a Non-Executive Director on the Board of Directors of Keystone Bank Limited between 2011-2015.

He is married with five children.



Mrs. Otivbo Saleh
Group Company Secretary

Mrs. Otivbo Saleh is the Group Company Secretary and Group Chief Legal Officer of Notore Chemical Industries Plc. She joined the Company in September 2007. She provides advice and counsel to the Board of Directors and is responsible for ensuring compliance with regulatory and statutory requirements. Prior to joining Notore she worked as an Associate at the firm of Sofunde, Osakwe, Ogundipe & Belgore between January 1993 and June 1996 and thereafter joined the prestigious firm of Banwo & Ighodalo from where she resigned in 2007 as a Senior Counsel. Mrs. Saleh is a highly motivated and hardworking solicitor, with thirty (30) years cognate experience in corporate and commercial law and has exhibited unparalleled professionalism in her preferred area of practice.

Over the years she has garnered considerable experience in commercial law, project finance, mergers and acquisitions and is thorough and persistent in achieving and exceeding her set goals and objectives. Mrs. Saleh obtained a LL.B Degree in 1991 from Edo State University and holds a BL (1992) from the Nigerian Law School. She is a member of the Nigerian Bar Association, Institute of Chartered Arbitrators, Institute of Secretaries and Administrators of Nigeria.

Directors' Report

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors of Notore Chemical Industries Plc hereby present their Report together with the Audited Consolidated and Separate Financial Statements for the year ended 31st December 2023 to the Shareholders of the Company.

Incorporation & Address

Notore Chemical Industries Plc was incorporated in Nigeria on 30th November 2005, as a private limited liability company, and is domiciled in Nigeria. Its registered office address is Notore Industrial Complex, Onne, River State, Nigeria. On 13th June 2014, the Company was re-registered as a public limited liability company and was quoted on the Main Board of The Nigerian Exchange Limited (formerly known as the Nigerian Stock Exchange) on 2nd August 2018.

Principal Activities

The principal activities of the Company are to manufacture, treat, process, produce, supply and deal in nitrogenous fertilizer and all substances suited to improving the fertility of soil and water. The Company has a 500,000 Metric Tonne Urea Plant and a 600,000 Metric Tonne of NPK Blending Plant in Onne, Rivers State, Nigeria. The principal activities of the Company's subsidiaries are as disclosed in Note 1 to the Financial Statements.

Results

The Group and the Company's results for the year ended 31st December 2023 are as stated on page 5. The net comprehensive loss of the Group and the Company for the year ended 31st December 2023 are ₦114.3 billion and ₦114.3 billion (2022: ₦7.2 billion and ₦6.8 billion) respectively and same has been transferred to Shareholders' equity.

Directors

The Directors who held office during the year to the date of this report were:

Mr. Onajite P. Okoloko	<i>Nigerian</i>
Mr. Michael Osime	<i>Nigerian</i>
Engr. Mike Orugbo, JP	<i>Nigerian</i>
Mr. Ike Osakwe	<i>Nigerian</i>
Mr. Michael Jansa	<i>American</i>
Mr. Bashir Lebada	<i>Canadian</i>
Mr. Femi Agbaje	<i>Nigerian</i>
Mr. Ohis Ohiwerei	<i>Nigerian (Group Managing Director/CEO)</i>
Mr. Tseyi Hammond	<i>Nigerian</i>
Mr. Ovie Ukiri	<i>Nigerian</i>
Mr. Ebiaho Emafo	<i>Nigerian (Deputy Managing Director)</i>
Mr. Yusufu Pam	<i>Nigerian</i>
Mr. Omar Taha	<i>British</i>

Directors' Shareholding

The shareholding interests of the Directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purposes of Sections 301 and 302 of the Companies and Allied Matters Act, 2020 are as follows:

	Number of shares held at 31 st December 2023	Number of shares held at 31 st December 2022
Mr. Onajite P. Okoloko (Indirect - Notore Chemical Industries (Mauritius) Ltd and Okmine Global Services Ltd)	1,238,274,438	1,238,274,438
Mr. Michael Osime (Indirect - Notore Chemical Industries (Mauritius) Ltd)	1,234,055,768	1,234,055,768
Engr. Mike Orugbo, JP	34,333,330	34,333,330
Mr. Ike Osakwe	Nil	Nil
Mr. Michael Jansa	Nil	Nil
Mr. Bashir Lebada	Nil	Nil
Mr. Femi Agbaje	Nil	Nil
Mr. Ohis Ohiwerei	Nil	Nil
Mr. Tseyi Hammond	Nil	Nil
Mr. Ovie Ukiri	Nil	Nil
Mr. Ebiaho Emafo	Nil	Nil
Mr. Yusufu Pam	Nil	Nil
Mr. Omar Taha	Nil	Nil

During the year under review, in addition to Mr. Onajite P. Okoloko, Mr. Michael Osime and Mr. Ike Osakwe, the other Directors representing Notore Chemical Industries (Mauritius) Limited on the Board are Mr. Mike Jansa and Mr. Hassan Badrawi. Mr. Tseyi Hammond and Mr. Yusufu Pam represent TY Holdings Limited on the Board of Notore Chemical Industries Plc.

Our Equity

The shares of Notore Chemical Industries Plc were admitted to trading on the Main Board of The Nigerian Exchange Limited on 2nd August, 2018. Given its market capitalization, Notore Chemical Industries Plc. currently ranks amongst the topmost companies on The Nigerian Exchange Limited with a share price of ₦62.50kobo per share. As at 31st December 2023, the Authorised Share Capital of the Company was ₦2,000,000,000, divided into four billion Ordinary Shares of 50kobo each with about 730 Shareholders.

The Issued Share Capital as at 31st December 2023, stood at ₦806,033,100 divided into 1,612,066,200 Ordinary Shares of 50kobo each. As at 31st December, 2023, Notore Chemical Industries (Mauritius) Limited had a majority shareholding of approximately 76.55% with about 23.45% being held by other Nigerians and Foreign Investors.

Shareholding

According to the Register of Members, as at 31st December 2023, the spread of shareholding in the Company is as follows:

Share Range		Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
1	10,000	714	97.81	125,979	0.01
10,001	50,000	4	0.55	73,894	0.00
100,001	500,000	1	0.14	119,004	0.01
500,001	1,000,000	2	0.27	1,577,800	0.10
1,000,001	5,000,000	3	0.41	12,101,170	0.75
10,000,001	50,000,000	2	0.27	82,691,750	5.13
50,000,001	100,000,000	2	0.27	151,691,205	9.41
100,000,001	500,000,000	1	0.14	129,629,630	8.04
1,000,000,001	2,000,000,000	1	0.14	1,234,055,768	76.55
TOTAL :-		730	100.00	1,612,066,200	100.00

According to the Register of Members as at 31st December 2023, the following are the Shareholders of the Company holding one million shares and above:

Shareholder	Number of shares	Percentage holding (%)
Notore Chemical Industries [Mauritius] Limited	1,234,055,768	76.55
TY Holdings Limited	129,629,630	8.04
Africa Finance Corporation	77,265,575	4.79
FBN Capital Limited	74,425,630	4.62
Employee Stock Option [ESOP] Stanbic IBTC	48,358,420	3.00
Engr. Mike Orugbo, JP	34,333,330	2.13
Al-Yuma Ventures & Investment Ltd	4,730,000	0.29
Okmine Global Services Limited	4,218,670	0.26
R and Partners Ventures Nigeria Limited	3,152,500	0.20
*Other corporate and individual investors	1,896,677	0.12
	1,612,066,200	100.00

* Other corporate and individual investors represent shareholders holding below one million shares.



The Company’s entire Issued Ordinary Shares are on the Main Board of the Nigerian Exchange Limited to promote better liquidity of its Shares in the secondary market and have access to long term capital from a wide range of local and international investors when required.

Directors’ Interests In Contracts

Save for Mr. Onajite Okoloko who is also the Chairman of Eroton Exploration and Production Company Limited (“a Joint Venture Partner in the onwership of OML 18”), for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 and Rule 20 of the The Nigerian Stock Exchange RuleBook, none of the Directors notified the Company of any direct or indirect interest in Contracts or proposed Contracts with the Company during the period under review. In 2016, the Company entered into a 20 year contract with Eroton for the supply of Gas.

Subsidiary Companies

The Company currently has eight subsidiaries in line with its long term plans and strategic goals. As of 31st December 2023, only one of the subsidiaries (Notore Power & Infrastructure Limited) is active. The shareholding of Notore Chemical Industries Plc in these subsidiaries are as follows:

Subsidiary Company	Share capital	Number of shares allotted to holding Company	Value of shares allotted to holding Company
	Units	Units	Naira
Notore Power & Infrastructure Limited (active)	10,000,000	9,999,999	9,999,999
Notore Seeds Limited (Inactive)	10,000,000	9,999,999	9,999,999
Notore Foods Limited (Inactive)	10,000,000	9,999,999	9,999,999
Notore Supply and Trading Limited BVI (Inactive)	100 single	100 single	-
Notore Supply and Trading Mauritius Limited (Inactive)	1	1	255,000
Notore Industrial City Limited (Inactive)	10,000,000	9,999,999	9,999,999
Notore Train II Limited (Inactive)	10,000,000	9,999,999	9,999,999
Notore NPK Fertiliser Limited (Inactive)	100,000,000	99,999,999	99,999,999

Key Distributors

The Company transacted business with the following key distributors during the year:



- | | | |
|---|---|--------------------------------------|
| A.A. Rano Nigeria Llimited | Greengate Agro-Bar | Samason |
| A.M. Fugu Nigeria Limited | Haskamu & Sons Nigeria Limited | Ogbalikpa & Sons Nigeria Limited |
| A.S. Kumo Daneji Global Limited | Henkoff Investment | Oko Global |
| AIKAS Nigeria Limited | Huetha Global Services Limited | Oma Nima Agro |
| Alhaji Bashir Maccido | Hulhulde Nigeria Limited | R & Partners |
| Alhaji Ibrahim Achida & Sons | IH Fako Nigeria Limited | Rabami Global Concept Limited |
| Alhaji Sadiku Shehu & Sons Ltd | K2Y2 Farms Limited | Reliant Overseas |
| Ali Ali Kura | Kaak-Akk Llimited | S.A Golden |
| Al-Yuma Ventures & Investment Limited | Kabsus Nigeria Limited | Salisu and Sons Nigeria Limited |
| Anasiyya & Sons Nigeria Limited | Kasaha Investment Nigeria Limited | Samason Nigeria Limited |
| Austino Best Chemical Industries Limited | Kwani Global Concept Limited | Samethel Properties Limited |
| Babban Gona Farmer Services Nig. Limited | Ma'aji Empire Global Investment Limited | Samseed |
| Baladini Global Resources Limited | MB Fertilizer and Chemicals | San-Afrah Nigeria Limited |
| Chiaha Bartholomew | Millenium Agro Allied Services Limited | Sesantech Industries Nigeria Limited |
| Chris Uba Nigeria Limited | Musale Uwawu Limited | Sharubutu & Sons |
| Cornel Agro Ventures | MZ & Sons Nigeria Limited | Sholte Nigeria Limited |
| Crop Technology & Commerce Limited | Ndam Global Nigeria Limited | SMDD |
| Dan Maje Global Concept Limited | Ogbalikpa & Sons Nigeria Limited | Sterling Alternative Finanace |
| Demmy Global Resources | Oko Global | Tomram Nigeria Limited |
| Elisco Agro Nigeria Limited | R & Partners Ventures Limited | Umar Maitaki Integreted Concept |
| Ellatami Integrated Service Nigeria Limited | Reliant Overseas Co. Limited | Usmaniya Nigeria Limited |
| Ficus Investment Limited | S.A. Golden Multi Services Limited | VD & S Farm Center |
| Garu Multipurpose Services Limited | Salisu and Sons Nigeria Limited | |

Achievements At The Plant

The following were the major achievements recorded at the Plant during the year under review:

The Maintenance program that commenced on 19th November 2022, came to a successful completion on 9th January 2023 with the execution and **completion of 43%** of the first phase of the total Turn Around Maintenance job requirement.

The Ammonia Converter Catalyst changeout and the reduction process was completed on 24th February 2023 with improved performance observed in terms of Ammonia conversion per pass, upon Ammonia Plant restart. The time required for heating the Ammonia Converter Catalyst to reaction temperature has now reduced from **48hrs to less than 6hrs**.

Achieved a significant improvement in the High-Pressure Steam Circuit of the Ammonia Plant as a result of the critical equipment replaced at the front and back ends of the Plant. Key contributors to the improvement include the Primary Waste Boilers (101-CA/CB), **newly installed Steam Drum Relief valves** as well as the **Ammonia Converter Effluent-Boiler Feed Water Exchanger (123-C)**.

The Company achieved a new milestone in Loss Time Injury (LTI) free operation; crossing **19 million Manhours** on 28th November, 2023. This is a manifestation of the commitment of the business to safety in its operations.

Notore retained the **ISO-9001:2015** certification following the successful Quality Management System surveillance audit conducted by Bureau Veritas in June 2023.

Achieved 100% Compliance with all QHSE statutory regulations by the prompt renewal of licenses and permits.

The ingenuity of the workforce to sustain Plant production at a daily average of **568MT and 778MT of Ammonia and Urea** respectively, during the frequently reoccurring low gas supply/fluctuating supply conditions far below the minimum design requirement to support Plant production.

Natural Gas Supply

An internal issue with the Joint Venture ("JV") Partners of OML-18 led to the cessation of the Natural Gas Supply to the Plant on 24th February 2023, which resulted in the abrupt shutdown of the Plant. With the outage of gas from OML -18, Accugas was approached to ramp up supply from the 10MMSCF/day limit specified in the Interruptible Supply Agreement to the minimum of 45mmscf/day required to operate the Plant. The interruptible nature of the agreement coupled with the complexity of managing the pipeline network with multiple users constituted significant limitations to continuous plant operation.

The negotiation of a new Gas Supply Agreement ("GSA") with the OML-18 JV has been concluded and the GSA is currently undergoing the final page-turn towards its execution. In the meantime, clearance was granted for Notore to resume offtake on 9th August 2023 on the back of upfront payment for volumes of gas nominated. However, the OML-18 JV gas was not adequate in terms of volume and pressure hence it could only be used to power the utilities within the year. The OML-18 team has been requested to improve the availability and pressure to meet our process requirements.

The Interruptible Gas Supply Agreement with Accugas was renewed for another year, ending 17th August 2024 with the contractual volume reviewed to 20mmscf/day to supplement the contracted volume from OML-18.

Management is engaging the OML-18 JV Partners for them to make the necessary investment in the Wells and boost the supply to meet the required process conditions of the Notore Plant. This will be supplemented with the supply from Accugas.



ISO 9001: 2015 (Quality Management System) Certification

Notore remained committed to continually improving product/service quality delivery, processes, and customer satisfaction. This year the Company underwent the recertification Audit for to retain its ISO 9001:2015 (Quality Management System) Certificate. The recertification Audit was conducted successfully by Bureau Veritas and the United Kingdom Accreditation Service (UKAS) (ISO External Certification body) from 8th – 9th June 2023. A total of three (3) non-conformities were recorded, which were successfully closed out. The ISO External Auditors from Bureau Veritas commended the maturity of Notore's Management System, noting a high conformity performance in its processes companywide. This was a demonstration of the Company's commitment to quality products and services delivery, total customer satisfaction and continuous performance improvement in its business operations. The ISO External Auditors have since reviewed our response to the identified Non-Conformities and found them sufficient, adequate, and compliant with current QMS requirements and recommended that the Company be recertified.



ISO 14001:2015 & 45001:2018 (Environmental And Occupational Health & Safety Management System) Certification Project

Notore in its commitment to continuous improvement commenced the process of certification to Occupational Health Safety management system ISO 45001:2018 and Environmental Management System 14001:2015, these two management systems integrated as Health Safety and Environmental (HSE) management system, shall further improve Health Safety and Environmental Management in Notore's operations. So far Notore has concluded the gap analysis, training of Internal Auditors, and documentation required by the management systems. In Addition, Notore has completed the first Internal Audit of the Health Safety and Environmental management system conducted by its trained Internal Auditors. All Audit findings are presently being addressed after which the management review and certification audit will take place.



Grant of License as Oil & Gas Free Zone Developer

The Company’s Oil and Gas Free Zone Developer License and Enterprise License granted in December 2017 were further renewed in the course of the year. By virtue of this License, the Company’s entire land area (558.623 Hectares) remains designated as an Oil and Gas Free Zone area in Onne, Rivers State, Nigeria.

Report on the Electricity Embedded & Distribution Licenses

Following the acquisition from the Nigerian Electricity Regulatory Commission (NERC) of the Embedded Power Generation and Independent Electricity Distribution Network Licenses by Notore Power and Infrastructure (“NPI”) and Notore Industrial City (“NIC”) respectively in March 2022 to generate and distribute 2x25 Megawatts of power, NPI has since purchased another 2x17Megawatts GE LM2500 Gas Turbines.

The engineering, procurement, construction and installation of the first unit of the Gas Turbine Generator (GTG) has been completed and the commissioning phase is in progress. The shipment of the second unit is at the final stage. Plans for the installation, pre-commissioning and commissioning of the second unit are being finalized. Plans have also been put in place for the synchronization of the three generating units bringing the Company’s total generation capacity to about 60 Megawatts.

Given that only 9 Megawatts is being consumed presently in the Industrial Complex, NIC has developed a power commercialization plan and commenced engagement with potential off-takers and stakeholders in readiness for commencement of full operations. This will generate more cashflow for the business and reduce carbon emissions from customers’ use of fossil fuel generators, contributing to sustainability goals and the drive towards net-zero.

NIC is also making plans to supply power to the host community as part of our corporate social responsibility. This will assist the SMEs in reducing cost of business amidst the current economic inflation.

EMPLOYMENT AND EMPLOYEES



Employee Health, Safety & Welfare

Notore has demonstrated commitment to the Health, Safety, Environment and well-being of its employees, contractors, visitors, and host communities at all its business locations in the 2023 financial year. This was attributed to the stringent health, safety, environmental rules and standard practices within the work environment and enforcement of compliance for continual improvement actions. The National Environmental Standards and Regulations Enforcement Agency (NESREA) Officials visited the Plant complex for her annual Environmental Compliance Monitoring Inspection. They commended the Organization for its Environmental Management Systems aimed at ensuring environmental sustainability and their “Cradle to cradle” philosophy /approach in pollution control and waste management.

The Company achieved a remarkable milestone of 19 million LTI-free manhours through the implementation of strict and robust HSE processes and practices across the Company and all its subsidiaries, leading to an improved safety culture. This feat was achieved by enhancing sustainable, eco-friendly, and safe work environment, through effective identification of all hazards and environmental aspects, effective HSE supervision, work flexibilities, training and awareness sessions including provision of required PPEs, while ensuring compliance with all relevant Health, Safety and Environmental regulations, standards, and other requirements.

During the year under review, HSE statistics results were: Zero Fatality; Zero LTI (> 19million LTI-free Manhours and still counting); Insignificant Total Recordable Incident Frequency Rate (TRIFR=0.53) and zero regulatory sanctions. Due to the effective monitoring and control of all associated environmental aspects, zero reportable Environmental pollution was recorded in the financial year. During the year under review, average free ammonia concentration (a major environmental aspect) in the discharged effluent was 1.91ppm as against IFC guideline of 5ppm of free ammonia. Scheduled air quality monitoring was carried out at various parts of the Plant and in the Communities with recorded values being within the exposure limits when benchmarked with the Occupational Safety and Health Administration (OSHA) standards. Noise levels within the Plant area and outside were monitored during the year and recorded values showed compliance with regulatory guidelines. Also, remarkable cost savings due to proactive management of process effluent treatment which resulted in the Company achieving zero regulatory sanction, litigation or payment of compensation.

Employment of Disabled Persons & Gender Diversity

The Group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. Although there are no specific legal requirements for gender diversity in Nigeria, the Financial Reporting Council's Nigerian Code of Corporate Governance recommends that quoted companies should consider gender inclusivity in employment processes. Notore progressively aims at being a gender-balanced Company. This is achieved by creating enabling working conditions to attain annual increases in the percentage of women managers and senior leaders.

Operationally, our 24-hour production cycle and policy limits the involvement of women on night shifts, thus a challenge with reaching desirable gender balance. To enhance inclusion, we have a deliberate practice of placing female operatives on 12-hour dayshifts, so they are not excluded in the championing of the African Green Revolution.

Employee Training & Involvement

The Company operates a robust training and developmental strategy with the overall objective of equipping employees with the right competencies to participate directly as the organization strives to fulfill its mission and meet its objectives by applying their ideas, expertise, and efforts towards problem solving and decision making. Principles of equality of opportunity and treatment, and non-discrimination in employment are integrated in the management of our human resources.

Communicable Diseases Management

Although the Nigerian Government has declared the country free from the COVID-19 pandemic, the protocols that enabled the Company to record zero cases of COVID-19, fatalities, or business disruptions during the pandemic have become part of the Company's policies. These protocols were further upgraded during the emergence of the Marburg and Monkeypox viruses at the international level. The QHSE Department has personnel trained in the prompt recognition and identification of any communicable disease, whether prevalent or emerging, as a first step in control. Notore acknowledges the seriousness of this public health problem and in an effort to be prepared for and control communicable diseases, which affect staff, contractors and its operating community has developed a Communicable Disease Policy that not only provides training and regular campaigns to persons about communicable diseases but is always prepared for any outbreak.

Notore operates a Group Life Insurance and Employee Compensation Scheme for the benefit of its Employees. It also operates a Contributory Pension Scheme based on the provisions of the Pension Reform Act, 2014.

"During the year under review, HSE statistics results were: Zero Fatality; Zero LTI (>19million LTI-free Manhours and still counting); Insignificant Total Recordable Incident Frequency Rate (TRIFR=0.53) and zero regulatory sanctions."

MANAGING THE RISK TO OUR BUSINESS

Risk Management Framework and Policy

Notore Chemical Industries Plc is an acclaimed producer of nitrogenous fertilizer and agro-allied products. As a dynamic business, it regularly faces uncertainties and has deployed effective systems of risk management and internal controls to drive the strategic corporate objectives and ensure achievement of sustainable growth and profitability. With a structured risk management and internal control framework entrenched in the system, the Company is positioned to proactively respond to and mitigate the risks associated with its operations within its internal environment as well as its external environment with overall focus on preserving value for stakeholders.

The Board of Directors is ultimately responsible for management of risks and this oversight role is performed through the Board Business Risk Committee. The Committee assesses key and emerging risks to Notore's business on a quarterly basis enabling prioritization of these risks for effective management. Notore's risk management framework has been designed in line with relevant risk management standards which recognises the three lines of defense model that ensures a clear ownership and delegation of responsibility for risk management across the business.

Enterprise Risk Management Process

Notore successfully entrenched a Risk and Opportunity Management Policy as the foundation for the practice of enterprise risk management and relevant internal controls. The policy leverages global best practice standards, principles, procedures, and guidelines for managing risks across the organization. This is supported by a robust risk assessment process and documented action plans for mitigating identified risks.

Based on the enterprise risk management structure in place, the Company successfully integrated risk management into its strategy formulation and considers risk and its impact in the daily discharge of its operations. Management references the output of a risk assessment exercise in its decision to create and preserve value for the business.

Enterprise risk assessment

To foster a risk-aware culture, the Company yearically conducts brainstorming sessions and risk management workshops. Risk Champions are designated at the departmental level to drive quarterly risk and opportunity assessment and to track key risk indicators. Notore has heightened risk consciousness across the Organisation towards entrenchment of a strong risk culture considered pivotal to driving productivity.

The Company's risk management system has been effective in monitoring the key risks to our business towards proactive action in cash flow management, stakeholder relationship management and renegotiation of terms of agreement towards business sustainability. Notore has also expanded its brand and customer base by shipping into the West African market through deliberate efforts to manage risks that will reduce market share.

The business risk landscapes

During the year under review, the risk landscape remained relatively stable, changes noted in the trend of the top ten (10) business risks were within the levels of established controls. As the dynamism of business precipitates the likelihood of risk, the Company is focused on achieving sustainable production and increasing its revenue to be able to deploy resources towards mitigating critical risks and to explore feasible opportunities to ensure achievement of strategic business objectives.

Auditors

In accordance with Principle 20 of the Nigerian Code of Corporate Governance 2018, the Audit Firm of Messrs. Deloitte & Touche was re-appointed at the Annual General Meeting held on 22nd June 2023.

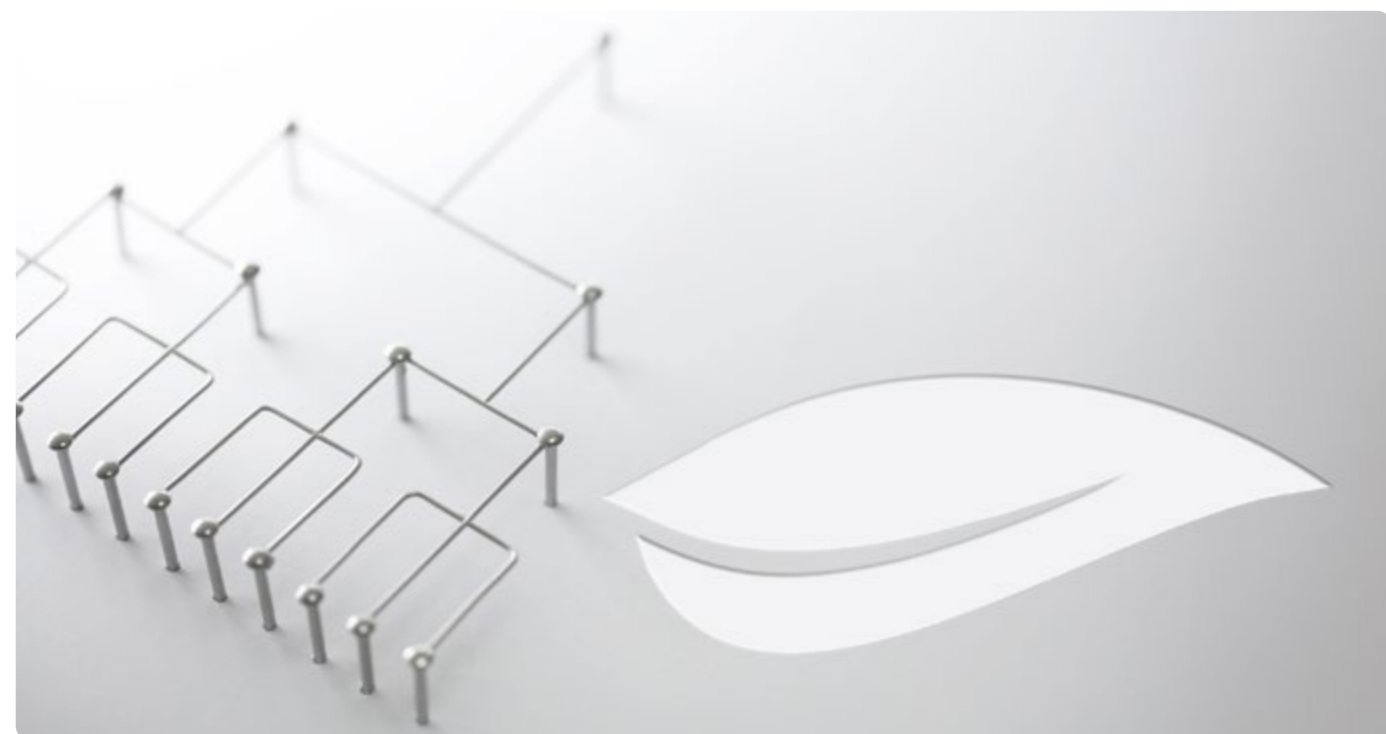
By Order of the Board



Mrs. Otivbo Saleh
Group Company Secretary
FRC/2018/NBA/00000018956
27 March 2024

Corporate Governance Report

As a limited liability company listed on The Nigerian Exchange Limited (formerly known as the Nigerian Stock Exchange), Notore continues to imbibe the highest standards of corporate governance and best practices and conducts its business and operations in an open and transparent manner in line with international best practices. The Company is dedicated to the promotion of the interests of its Shareholders and recognizes the importance of compliance with the principles of good corporate governance under the Security and Exchange Commission's (SEC) Code and the Financial Reporting Council's Nigerian Code of Corporate Governance 2018 (NCCG 2018). Notore, in line with its status as a public limited liability company, fully complies with the Rules of the Exchange, SEC Code and NCCG 2018, and aligns its operations with international best practices as the Company recognizes the importance of its adoption as a valuable contribution to long term business prosperity and accountability to Shareholders.



The Board of Directors

The Board of Directors recognizes the importance of transparency, accountability and good corporate governance and ensures that the Company achieves its objectives. The Company's governance system meets the requirements of Nigerian and international corporate governance regulations including the SEC Code of Corporate Governance for public companies in Nigeria, the Rules Book of The Exchange and the Nigerian Code of Corporate Governance (NCCG), 2018. The Board endeavours that the Company is in compliance with the provisions of the SEC Code, the Rules Book of The Exchange and NCCG 2018 at all times. Accordingly, the Board has adopted charters, policies and codes and established committees through which it discharges its duties. The Company recognizes that it has responsibilities to its shareholders, customers, employees as well as to the communities in which it operates.

The Board of Directors is made up of Eleven (11) Non-Executive Directors and two (2) Executive Directors. Four (4) of the Non-Executive Directors qualify as Independent Directors. They are Mr. Ike Osakwe, Mr. Mike Jansa, Mr. Femi Agbaje and Mr. Ovie Ukiri. The Board has a formal guideline and process for appointment of persons as Directors and is responsible for: supervising the conduct of business by Management as well as the general course of affairs in the Company; assessing the Company's corporate strategy and general policies; the development of the Company's financial position; the Company's risk management; its organizational structure; its compliance portfolio; social policy and other systems.

Despite the COVID-19 Pandemic, the Marburg and the Monkey Pox viruses with its attendant restrictions, the Company was able to deploy state of the art technology that enabled the Board to meet three (3) times in the course of the year under review. The Company, in line with the directive of the NSE and the approval of the Shareholders has put in place adequate facilities that enables it to hold virtual Meetings of the Board and Committees. The record of attendance of the Directors at the Meetings are set out below:

Name	27/01/2023	18/05/2023	28/07/2023	06/09/2023	No. Attended
Mr. Onajite P. Okoloko	P	P	A	A	2
Mr. Michael Osime	P	A	P	P	3
Engr. Mike Orugbo, JP	A	A	P	P	2
Mr. Ike Osakwe	A	P	P	P	3
Mr. Michael Jansa	P	P	P	P	4
Mr. Hassan Badrawi	A	A	N/A	N/A	0
Mr. Bashir Lebada	A	A	A	A	0
Mr. Femi Agbaje	A	A	P	P	2
Mr. Ohis Ohiwerei	P	P	P	P	4
Mr. Tseyi Hammond	P	P	P	P	4
Mr. Ovie Ukiri	P	P	P	P	4
Mr. Ebiaho Emafo	P	P	P	P	4
Mr. Yusufu Pam	P	P	P	P	4
Mr. Omar Taha	N/A	N/A	P	A	1

P - Present

A - Absent with Apology

NA - Not a member of the Board of Directors as at that date

Finance Committee

The Finance Committee is responsible for the approval of the Company's strategic financial plans and budget; Integrity of financial controls and reports; the determination of accounting and financial control principles; as well as principles of financial planning. The Committee has six (6) members and it is chaired by Mr. Michael Osime. The Committee met on 25th January 2023, 16th April 2023 and 25th July 2023 in the course of the year and the record of the Committee's meeting is set out below:

Name	25/01/2023	16/04/2023	25/07/2023	No. Attended
Mr. Michael Osime	P	A	A	1
Mr. Michael Jansa	P	P	A	2
Mr. Bashir Lebada	A	A	A	0
Mr. Femi Agbaje	A	A	P	1
Mr. Tseyi Hammond	P	P	P	3
Mr. Ebiaho Emafo	P	P	P	3

Statutory Audit Committee

The Statutory Audit Committee is established to perform the functions stated in Section 404 (7) of the Companies and Allied Matters Act, 2020 and the Audit Charter approved by the Board. Part of these functions include: ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices; evaluation of the scope and planning of audit requirements; review the findings on Management matters in conjunction with the External Auditor and Departmental responses thereon; discuss and approve the Interim or Annual Audited Financial Statements as well as significant financial reporting findings. Providing recommendations to Management and External Auditors prior to recommending same to the Board for their consideration and appropriate action and maintaining oversight of financial and non-financial reporting are also part of the Committee's Statutory functions. The Committee met on 23rd January 2023 and 28th March 2023 and the record of the Meetings are as set out below:

Name	23/01/2023	28/03/2023	No. Attended
Mr. Ike Osakwe	P	P	2
Engr. Mike Orugbo, JP	P	P	2
Alhaji Ali Yusuf Ali	P	P	2
Mr. Mubasiru Abdulaziz	P	P	2
Alhaji Kamilu Haske	A	P	1

Technical Committee

The Technical Committee's function was to assist the Board in fulfilling its oversight responsibilities on specific technical matters. The Committee oversees and advises the Board in relation to the development and advancement of the Company's Plant and other assets. The Committee's responsibilities include: conducting investigations, analysis and due diligence to validate and test the core technical aspects of the Company's fertiliser Plant, project development and opportunities. The Committee may also consider project economic analysis, appraisal of technical risk factors, appropriate longer-range (as well as early stage) preparations for project development, construction and installations, as well as such other matters as may be requested by the Board. The Committee has five (5) members, chaired by Engr. Mike Orugbo, JP. It met during the year under review and the records of its meeting attendance is provided hereunder:

Name	25/01/2023	16/04/2023	25/07/2023	No. Attended
Engr. Mike Orugbo, JP	A	A	P	3
Mr. Michael Jansa	P	P	A	3
Mr. Bashir Lebada	A	A	A	0
Mr. Ebiaho Emafo	P	P	P	3
Mr. Yusufu Pam	P	P	P	2

Business Risk Committee

The Business Risk Committee has as its function, the oversight of the design and implementation of the Enterprise Risk Management Framework for the Company. This responsibility includes the evaluation of the adequacy of the Risk Charter, Policies, Operating Procedures, and elated practices leveraged by the risk function to dimension, assess, and respond adequately to identified risks. Overall, the Business Risk Committee has visibility of the key risks that could impact the achievement of strategic corporate objectives and the insight to decide appropriate response strategies and required resources which when applied to address the downside of risk is at the same time exploiting the upside of risk for value creation. There are five (5) members of the Committee and the Committee is chaired by Mr. Ike Osakwe. The Committee met during the year under review and appraised the Company's Risk Framework, adherence to the Risk Policies, mitigants and the adequacy of the risk controls in place. The table below shows the Directors who served on the Committee in the 2023 fiscal year and their attendance at meetings.

Name	23/01/2023	15/04/2023	No. Attended
Mr. Ike Osakwe	P	P	3
Engr. Mike Orugbo, JP	A	A	0
Mr. Michael Jansa	P	P	3
Mr. Hassan Badrawi	A	A	0
Mr. Ovie Ukiri	P	P	3

Nomination, Remuneration & Governance Committee

The Nomination, Remuneration & Governance Committee ("NR&G Committee") is responsible for, amongst others, making recommendations to the Board on the appointment of candidates as Directors and top Executive Management based on the guideline set by the Board. The Committee also reviews and determines for the Board's approval, the remuneration packages of Directors and salaries of Executive Management. There are five (5) members of the Committee which is chaired by Mr. Ike Osakwe. The records of Committee's meeting attended during the year under review is hereunder:

Names	23/01/2023	15/04/2023	No. Attended
Mr. Ike Osakwe	P	P	3
Mr. Mike Osime	P	P	3
Mr. Mike Jansa	P	P	3
Mr. Bashir Lebada	A	A	0
Mr. Ovie Ukiri	P	P	3

Conflict of Interest

Notore Chemical Industries Plc. recognises and respects the right of its employees to engage in external activities so long as these activities do not impair, interfere or conflict with the conscientious performance of their duties and do not involve damage to or misuse of the Company's name, trademarks, products, property, reputation, goodwill, confidential information or other resources. When an employee is engaged in carrying out a task on behalf of the Company and that employee has a factual or potential private interest in the outcome of the task, which is contrary to the best interests of the Company or is substantial enough to affect the employee's unbiased judgment, the Company expects the employee to disclose this as appropriate. Failure to comply with this policy will have grave consequences for the employee.

Related Party Transaction Policy

The Company recognizes that related party transactions present a heightened risk of conflict of interest and/or improper valuation (or the perception or appearance thereof) and therefore has adopted a Policy to be followed in connection with all related party transactions involving the Company. This Policy therefore aims to provide clear guidelines and procedures on related party transactions within Notore and its subsidiaries, associates and affiliates and to ensure that all Employees and Directors of Notore Chemical Industries Plc fully understand their responsibilities and obligations in respect of related party transactions. The policy outlines the disclosure and approval requirements for related party transactions and applies to any transaction where the Company is a participant and there is a transfer of resources, services, or obligations such that a related party has or will have a direct or indirect interest regardless of whether a price is charged.

Whistle Blowing Policy

Notore has in place a Whistle Blowing Policy in line with the Company's culture of open communication and commitment to good business practice, as well as global best practice. The purpose of the policy is to create a channel whereby any stakeholder who has a bona-fide concern about any misconduct or unethical business practice in the can report same. The policy established a broad framework that seeks to encourage stakeholders to safeguard the Company's interest by voicing concerns that may adversely affect the Company. It consequently, provides a secure medium for any stakeholder to raise concerns about practice that breach company policy and values; informs the Company of any unethical business practice; serves as a deterrent to employees who may otherwise consider an act that is illegal, improper or unethical; helps to maintain a culture of openness integrity and accountability. To further guaranty transparency, confidence and anonymity of the structure, the Company has outsourced the Whistle Blowing Process to an Independent External Consultant.

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

Bribes and Kickbacks

The Company abhors and does not take part in any act of corruption or pay bribes or receive kickbacks either directly or indirectly. The Company prohibits its employees from engaging in acts of corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials and private individuals such as the personnel of companies with which the Company engages in business relationship. Notore's Anti-Bribery and Anti-Corruption Policy is on the Company's website and a clause to this effect is in most Agreements entered with the Company. It is the responsibility of all employees who are involved at any time in engaging the services of external consultants, suppliers or advisers to ensure that such individuals are made aware of the content of the Company's Anti-Bribery and Anti-Corruption policy at the outset of the relationship and on a regular basis thereafter.

Facilitation Payments

The Company and its employees do not make facilitation payments even if such payments are local practice or custom. The Company accepts that refusal to make illicit payments may lead to commercial delays, for example, the processing of government papers, and that there may be a commercial cost to the Company attributable to this policy. The Company recognizes that demands for facilitation payments are often backed by a form of extortion and that in exceptional circumstances, resistance may not be feasible. In such circumstances, the Company accepts that staff will need to use their best judgment. Staff must report any incident where they feel forced to make a facilitation payment to their line manager at the earliest opportunity. The Company will stand by employees who find themselves placed in exceptional situations provided that the employee has provided absolute transparency as to the circumstances surrounding a payment shortly after the incident has occurred.

Public Officials

Bribing or corrupting a public official is a serious offence that carries severe penalties and can cause significant reputational damage. The Anti-Bribery and Anti-Corruption Policy provides detailed guidelines on gifts and hospitality. Approval must be secured in advance in relation to gifts or benefits received from or offered to public officials, particularly the giving of anything of value to a public official. Offers of internships to government officials or employees of state-owned enterprises must be approved in advance by the Group Head, Human Resources.

Political Activities

The Company has a policy of strict political neutrality; it does not make donations to any political parties, organisations, or individuals engaged in politics. The Company will co-operate with governments and other official bodies in the development of policy and legislation that may affect its legitimate business interests, or where it has specialist expertise. Employees are entitled to their own political views and activities, but they shall not use Company premises or equipment to promote those views or associate their views with those of the Company.

Insider Trading

The Directors of the Company, Senior Management and other employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company in accordance with the provisions of the Investments & Securities Act 2007 and the Listing Rules of the Nigerian Exchange Limited. As required by law, the shares held by Directors are disclosed in the Annual Report. Notore has adopted a code of conduct regarding securities transaction by the Directors and all employees on terms no less exacting than the required standard set out in the Listing Rules of the Nigerian Exchange Limited. The Company as is required prior to release of the quarterly accounts and Financial Statements, specifically requests that Directors confirm compliance with the required standard set out in the listing rules and the Company's code of conduct regarding securities transactions by Directors and to date, the Company is not aware of any non-compliance.

Human Resources Policies and other Related Matters

The Company recognizes that its human resources are very valuable assets. Consequently, the human resources policies of the Company are to ensure that the aptitude, knowledge and skills of staff are put to the best possible use. The training of staff to perform their duties effectively is a major preoccupation of Management. The Management holds yearic town hall meetings with employees in order to brief them on business related issues and exchange ideas that are beneficial. In addition, there is a Management' Executive Committee ("Exco") and Group Leadership Council ("GLC") that holds respective weekly and monthly meeting to direct the affairs of the Company and staff. There is also the existence of a staff union that fosters greater understanding and bonding amongst staff. Management also communicates corporate issues to employees regularly through e-mail circulation.

Induction and Training Program

Notore has in place a formal induction program for newly engaged Employees. As part of this induction, each new Employee is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about the Company's business and acquaint with the Senior Management Team. The newly appointed Directors/Employees are also conducted round the production facilities of the Company to gain first-hand knowledge of the production process and the emphasis placed on health and safety by the Company. The Company Secretary is in charge of evolving a continuing education programme to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors.

Health Safety and Environmental Policy

The Company, is committed to ensuring that the health, safety, and well-being of its employees, contractors and visitors are catered for at all its business locations. In doing so, it continuously strives to create a work environment that is safe, healthy and friendly, which complies with all relevant national and international health and safety regulations, standards, and best practices. To achieve this goal, the Company creates and maintains an incident-free work environment that emphasizes zero tolerance for accidents and a proactive safety culture that encourages the support of all employees and belief that all injuries and illness are preventable.

This policy promotes a culture of conscious health and safety awareness amongst all its employees and business partners; the systematic and proactive management of health and safety risks, the setting of targets for continual performance improvement, appraising emergencies and responding to them should they occur; the recognition and reward for good safety performance; and the communication of occupational health and safety matters to all employees and stakeholders. The adoption of this culture led the Company to achieve a milestone record of 19 million Loss Time Injury (LTI) Free Man- hours on 31st December 2023.

Environmental Policy

Notore by its policy, has adopted a precautionary approach to environmental stewardship which enables the Company to maintain a clear vision with regard to environmental objectives. The Company is committed to running its business in a manner that is environmentally and socially sustainable and in full compliance with all relevant regulatory and contractual obligations. In its daily activities, the Company endeavors to prevent the release of pollutions, conserve material resources and use energy efficiently in order to protect the ecosystem. The Company achieves these goals through: systematic assessment of environmental risks and mitigation of their negative impacts during reduction of wastes, discharges and emissions detrimental to the environment; taking measures to prevent any environmental incidents and plans to recover from such emergencies should they occur; conservation of materials, water and energy resources and the protection of its biodiversity; continually reviewing and improving on its environmental performance; provision of necessary resources and organisation for the attainment of these objectives; and informing all stakeholders of our environmental performance. Following the strict adherence to the Environmental Policy, the Company achieved zero reportable environmental pollution within the year and received the second best price award on National Environmental Compliance from the National Environmental Standards and Regulations Enforcement Agency (NESREA).

Complaint Management Policy

Notore Chemical Industries Plc. is committed to maintaining the highest standards in the provision of services to its Customers, Shareholders and other Stakeholders. The Company recognizes that complaints are a common occurrence in all Stakeholders and business engagements. The Company further recognizes the right of any person covered under this Policy to raise an issue or make a complaint in the course of their dealings with the Company and shall ensure that such complaints are resolved or dealt with in an efficient, responsive, dispassionate and courteous manner.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act 2020, requires the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of financial affairs of the Group and Company at the end of the year and of its profit or loss. The responsibilities include:

- a. ensuring that the Group and Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company and comply with the requirements of the Companies and Allied Matters Act;
- b. designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. preparing the Consolidated and Separate Financial Statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Group and Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

Other than as disclosed in note 30 to the Financial Statements, nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this Statement.



Mr. Ohis Ohiwerei
Managing Director/CEO
FRC/2017/CIBN/00000016412

27th March 2024



Mr. Onajite P. Okoloko
Director
FRC/2014/NIM/00000007662

27th March 2024

ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors of Notore Chemical Industries Plc hereby present their Report together with the Audited Consolidated and Separate Financial Statements for the year ended 31st December 2023 to the members of the Company.

Donations, Sponsorship and Gifts Given Out in 2023

Notore remains committed to its mission of enhancing the quality of life of its Stakeholders. The goal is to make a positive impact in the communities in which it operates. The Company demonstrated this commitment through various initiatives throughout the course of the year and some of the activities in this respect include:

The Notore Care Initiatives

Notore's commitment to social responsibility is evident through its Notore Cares Initiatives, established to address key social welfare issues to enhance the quality of life of Stakeholders in Host Communities. With the sizable youth demographic, Notore focused its initiatives in 2023 on nurturing the nation's youth by providing access to education, empowering them to contribute significantly to the country's progress. Furthermore, the Company recognises the uniqueness of the traditions and culture of its operating community that forms the broader authenticity of the nation and will continue to support and emphasise its preservation. Notore has taken concrete actions in the 2023 financial year to pursue these ideals.

Notore Pupils Education Support

The Company sponsored the school fees for ten indigent pupils/students through the Notore Scholarship at Teelon International School, Onne. The total amount disbursed for this purpose was ₦1,084,500.00.

Notore Undergraduate Scholarship Programme

Notore initiated an undergraduate scholarship programme, allocating ₦100,000.00 annually to each of the eleven undergraduates from Onne. In the financial year, the full scholarship amount of ₦1,100,000.00 was disbursed.

Notore's Community Support

The Company demonstrated its commitment to preserving the culture and traditions of its host community by its support and contribution of ₦1,500,000.00 to the Koniju host community. This contribution was directed towards the burial ceremony of their late king and the subsequent installation of a new king.

By Order of the Board



Mrs. Otivbo Saleh

Group Company Secretary

FRC/2018/NBA/00000018956

27th March 2024

MANAGEMENT'S ANNUAL ASSESSMENT AND REPORT ON NOTORE CHEMICAL INDUSTRY PLC'S INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Notore Chemical Industry Plc for the year ended 31 December 2023:

- i. Notore Chemical Industry Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. Notore Chemical Industry Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii. Notore Chemical Industry Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.
- iv. Notore Chemical Industry Plc's external consultant Messrs PricewaterhouseCoopers that assessed the internal control over financial reporting has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Deloitte that audited its financial statements will be filed as part of Notore Chemical Industry Plc's annual report.



Mr. Ohis Ohiwerei
Managing Director/CEO

FRC/2017/CIBN/00000016412



Ms. Chekwubechukwu Onianwa
Chief Financial Officer

FRC/2022/PRO/ICAN/001/7043701

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Notore Chemical Industry Plc for the year ended 31 December 2023.

I, Ms. Chekwubechukwu Onianwa, certify that:

- a. I have reviewed this management assessment on internal control over financial reporting of Notore Chemical Industry Plc;
- b. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the year covered by this report;
- c. Based on my 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 entity as of, and for, the years presented in this report;
- d. The entity's other certifying officer and I:
 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 entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the year 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 entity'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 year covered by this report based on such evaluation.
- e. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
 1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
 2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f. The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Ms. Chekwubechukwu Onianwa
Chief Financial Officer

FRC/2022/PRO/ICAN/001/7043701

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the consolidated and separate financial statements have been reviewed and based on our knowledge, the

- i. audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- ii. audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the years covered by the audited financial statements;

We state that management and directors:

- i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company [and its subsidiaries] is made known to the officer by other officers of the Group and Company, particularly during the year in which the audited financial statement report is being prepared,
- ii. has evaluated the effectiveness of the Group's/Company's internal controls within 90 days prior to the date of its audited financial statements, and
- iii. certifies that the Group's/Company's internal controls are effective as of that date;

We have disclosed:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's/Company's ability to record, process, summarise and report financial data, and has identified for the Group's/Company's auditors any material weaknesses in internal controls, and
- ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's/Company's internal control; and
- iii. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors 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.

The financial statements of the Group/Company for the year ended 31 December 2023 were approved by the directors on 27th March, 2024.



Mr. Ohiwerei
Managing Director/CEO

FRC/2017/CIBN/00000016412



Ms. Chekwubechukwu Onianwa
Chief Financial Officer

FRC/2022/PRO/ICAN/001/7043701

REPORT OF AUDIT COMMITTEE

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020 the members of the Audit Committee of Notore Chemical Industries Plc hereby report as follows:

We have exercised our functions under Section 404(7) of the Companies and Allied Act, 2020 and we acknowledge the cooperation of management and staff in the conduct of these responsibilities.

We confirm that:

The accounting and reporting policies of the Group are consistent with legal requirements and ethical practices.

The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems.

We have considered the independent auditors' post-audit report and Management responses thereon, and are satisfied thereto.



Mr. Ike Osakwe

Chairman

FRC/2017/ICAN/00000016455

27th March 2024

The members of the Audit Committee are:

Mr. Ike Osakwe	-	Chairman
Engr. Mike Orugbo JP	-	Non-executive Director
Alhaji Ali Yusuf Ali	-	Shareholders Representative
Mr. Mubashiru Abdulaziz	-	Shareholders Representative
Alhaji Kamilu Haske	-	Shareholders Representative

Independent Auditors' Report

To the Shareholders of Notore Chemical Industries Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Notore Chemical Industries Plc** and its subsidiaries (the Group and the Company), set out on pages 5 to 71, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Notore Chemical Industries Plc** and its subsidiaries as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act, 2023.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the consolidated and separate financial Statements in Nigeria.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 30 to the consolidated and separate financial statements, which indicates that the Group and the Company incurred net losses of ₦114.3billion/114.3billion (2022:₦7.2billion/6.8billion) and accumulated losses of ₦148.6billion/₦147.8billion (2022:38.9billion/₦38.2billion) respectively. The Group and the Company also had net current liabilities of N130.1billion/N129.5billion (2022:₦72.1billion/₦71.4billion) respectively. These events or conditions, along with other matters as set forth in Note 30, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.



List of partners and partner equivalents available in our office

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Investment Property As stated in note 17 to the consolidated and separate financial statements, the Group and the Company have investment property valued at ₦77.6 billion as at year end. The property comprises undeveloped land and commercial property. Based on the Group and the Company's accounting policy, investment property is carried at fair value. On an annual basis, the Group and Company performs a valuation of the investment property and changes in fair values are presented in profit or loss as part of other income. The fair value adjustment recognised in other income in the current year is ₦2.3 billion as disclosed in note 11 to the consolidated and separate financial statements.</p> <p>We have assessed investment property to be a key audit matter because fair valuation requires high degree of management judgment and assumptions in arriving at the fair value hence subject to bias. This is considered a key audit matter in the consolidated and separate financial statements.</p>	<p>The following procedures were performed:</p> <ul style="list-style-type: none"> • Obtained and reviewed management assessment of the investment property. • Physically verified the investment property to confirm its existence and condition. • Reviewed the investment property valuation report prepared by the management expert and challenged the assumptions/methodology used. • As part of our robust challenge of the valuation, we engaged our internal property specialist to review and evaluate the reasonableness of assumptions made for the valuation of the investment property of the group. • Reviewed the calculation of fair value gain and the appropriateness of the accounting treatment. • Confirmed the adequacy of the disclosures in the consolidated and separate financial statements.

Based on the procedures performed, we found management's valuation of the investment property and the disclosures thereon to be reasonable.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, Corporate Social Responsibility Report, Report of the Audit Committee, Financial statements Certification and Other National Disclosures, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information obtained prior to the date of this auditor's report, if 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and /or the Company or to cease operations, or have no realistic alternative but to do so.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of the Companies and Allied Matters Act 2020, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company have kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and the Company's financial position and their statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Chizoba Onyebuchi, FCA - FRC/2013/PRO/ICAN/004/0000000869
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2024



NOTORE CHEMICAL INDUSTRIES PLC
Annual report, consolidated and separate financial statements
For the year ended 31 December 2023

Consolidated and separate statements of profit or loss and other comprehensive income

Notes	Group		Company		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
	N'000	N'000	N'000	N'000	
Revenue from contracts with customers	8	21,545,162	32,304,988	21,545,162	32,226,698
Cost of sales	9	(33,642,177)	(29,403,190)	(33,642,177)	(29,401,606)
Gross (loss)/profit		(12,097,015)	2,901,798	(12,097,015)	2,825,092
Administrative expenses	10	(14,076,515)	(9,080,169)	(14,076,515)	(8,704,720)
Impairment gain/(loss) on financial assets	10a	1,772	(505)	1,772	(505)
Selling and distribution expenses	10b	(323,546)	(189,678)	(323,546)	(173,862)
Other income	11	3,458,206	13,591,933	3,458,206	13,591,933
Operating income		(23,037,098)	7,223,379	(23,037,098)	7,537,938
Finance income	12a	130	151	130	151
Finance cost	12b	(23,454,710)	(19,178,391)	(23,454,710)	(19,178,391)
Exchange difference on bank borrowings	12b	(67,685,223)	(4,080,311)	(67,685,223)	(4,080,311)
Finance costs - (net)	12	(91,139,803)	(23,258,551)	(91,139,803)	(23,258,551)
Loss before income tax		(114,176,901)	(16,035,172)	(114,176,901)	(15,720,613)
Income tax	13	(74,388)	8,872,222	(74,388)	8,872,222
Loss for the year		(114,251,289)	(7,162,950)	(114,251,289)	(6,848,391)
Total comprehensive (loss)/ profit for the year attributable to:					
Equity holders of the parent company		(114,251,289)	(7,162,950)	(114,251,289)	(6,848,391)
Non controlling interest		-	-	-	-
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit obligations	23	63,491	(198,732)	63,491	(198,732)
Deferred tax (charge)/credit on actuarial loss/gain	13a	-	59,620	-	59,620
Revaluation surplus on property, plant and equipment	15	81,614,774	41,146,064	81,614,774	41,146,064
Deferred tax charge on revaluation surplus	13a	-	(11,494,514)	-	(11,494,514)
Total items that will not be reclassified to profit or loss		81,678,265	29,512,438	81,678,265	29,512,438
Other comprehensive income for the year-net of tax		81,678,265	29,512,438	81,678,265	29,512,438
Total comprehensive (loss)/income for the year		(32,573,024)	22,349,488	(32,573,024)	22,664,047
Total comprehensive (loss)/ income for the year attributable to:					
Equity holders of the parent company		(32,573,024)	22,349,487	(32,573,024)	22,664,046
Non controlling interest		-	-	-	-
Earnings per share for loss attributable to the equity holders of the company					
Basic LPS (Naira)	14	(70.87)	(4.44)	(70.87)	(4.25)

The notes on pages 59 to 119 are an integral part of these financial statements


NOTORE CHEMICAL INDUSTRIES PLC
Annual report, consolidated and separate financial statements
For the year ended 31 December 2023

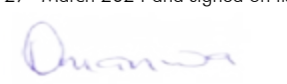
Consolidated and separate statements of financial position
As at 31 December 2023

Notes	Group		Company		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
	N'000	N'000	N'000	N'000	
Non-current assets					
Property, plant and equipment	15	263,308,384	187,632,461	263,308,383	187,632,460
Right of use assets	16(a)	128,704	227,001	128,704	227,001
Investment property	17	77,585,727	75,161,244	77,585,727	75,161,244
Investments in subsidiaries	29	-	-	50,255	50,255
Total non-current assets		341,022,815	263,020,706	341,073,069	263,070,960
Current assets					
Inventories	18	8,175,717	9,732,538	8,175,718	9,688,014
Trade and other receivables	19a	2,306,088	1,851,217	3,206,376	2,865,035
EEG Receivable	19b	-	4,036,546	-	4,036,546
Cash at bank and in hand	20	947,211	570,161	771,805	462,672
Total current assets		11,429,016	16,190,462	12,153,899	17,052,267
Total assets		352,451,831	279,211,168	353,226,968	280,123,227
Equity					
Ordinary shares	21	806,033	806,033	806,033	806,033
Share premium		27,995,916	27,995,916	27,995,916	27,995,916
Asset revaluation reserves		163,646,145	86,584,932	163,646,145	86,584,932
Foreign currency translation reserve		-	-	-	-
Accumulated losses	22	(148,562,250)	(38,928,013)	(147,837,120)	(38,202,883)
Treasury shares reserve		(1,080,831)	(1,080,831)	(1,080,831)	(1,080,831)
Total equity		42,805,013	75,378,037	43,530,143	76,103,167
Liabilities					
Non-current liabilities					
Borrowings	25a	162,978,200	109,760,326	162,978,200	109,760,326
Lease liability	16(b)	-	100,138	-	100,138
Employee benefit obligation	23	2,166,867	2,048,125	2,166,867	2,048,125
Grant liability	25b	552,922	1,270,430	552,922	1,270,430
Deferred tax liability	13a	2,373,579	2,373,579	2,373,579	2,373,579
Total non-current liabilities		168,071,568	115,552,598	168,071,568	115,552,598
Current liabilities					
Borrowings	25a	65,666,943	32,619,809	65,666,943	32,619,809
Lease liability	16(b)	192,538	102,584	192,538	102,584
Trade and other payables	26	58,607,825	35,309,583	58,657,832	35,496,512
Contract liabilities	26	16,276,905	19,317,994	16,276,905	19,317,994
Grant liability	25b	717,508	717,508	717,508	717,508
Current tax liabilities	13	113,531	213,055	113,531	213,055
Total current liabilities		141,575,250	88,280,533	141,625,257	88,467,462
Total liabilities		309,646,818	203,833,131	309,696,825	204,020,060
Total equity and liabilities		352,451,831	279,211,168	353,226,968	280,123,227

The financial statements on pages 54 to 119 were approved and authorised for issue by the board of directors on 27th March 2024 and signed on its behalf by:


Mr. Ohis Ohiwerei
Managing Director/CEO
FRC/2017/CIBN/00000016412


Mr. Onajite P. Okoloko
Director
FRC/2014/NIM/0000007662


Ms. Chekwubechukwu Onianwa
Chief Financial Officer
FRC/2022/PRO/ICAN/001/704370

The notes on pages 54 to 114 are an integral part of these financial statements.

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Consolidated and separate statements of changes in equity

Group

	Share capital	Share premium	Asset revaluation reserve	Accumulated losses	Treasury shares reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2022	806,033	27,995,916	60,124,144	(34,816,713)	(1,080,831)	53,028,549
Loss for the year	-	-	-	(7,162,950)	-	(7,162,950)
Other comprehensive income:						
PPE revaluation surplus, net of tax	-	-	29,651,550	-	-	29,651,550
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	(139,112)	-	(139,112)
Total comprehensive loss for the year	-	-	29,651,550	(7,302,062)	-	22,349,488
Revaluation surplus realised for the year	-	-	(3,190,762)	3,190,762	-	-
Balance at 31 December 2022	806,033	27,995,916	86,584,932	(38,928,013)	(1,080,831)	75,378,037

Group

	Share capital	Share premium	Asset revaluation reserve	Accumulated losses	Treasury shares reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2023	806,033	27,995,916	86,584,932	(38,928,013)	(1,080,831)	75,378,037
Loss for the year	-	-	-	(114,251,289)	-	(114,251,289)
Other comprehensive income:						
PPE revaluation surplus, net of tax	-	-	81,614,774	-	-	81,614,774
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	63,491	-	63,491
Total comprehensive loss for the year	-	-	81,614,774	(114,187,798)	-	(32,573,024)
Revaluation surplus realised for the year	-	-	(4,553,561)	4,553,561	-	-
Balance at 31 December 2023	806,033	27,995,916	163,646,145	(148,562,250)	(1,080,831)	42,805,013

Treasury shares reserve relates to receivables from Employee share ownership plan (ESOP) reclassified to equity

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Consolidated and separate statements of changes in equity

Company

	Share capital	Share premium	Asset revaluation reserve	Accumulated losses	Treasury shares reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2022	806,033	27,995,916	60,124,144	(34,406,142)	(1,080,831)	53,439,120
Loss for the year	-	-	-	(6,848,391)	-	(6,848,391)
Other comprehensive income:						
PPE revaluation surplus, net of tax	-	-	29,651,550	-	-	29,651,550
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	(139,112)	-	(139,112)
Total comprehensive income for the year	-	-	29,651,550	(6,987,503)	-	22,664,047
Revaluation surplus realised for the year	-	-	(3,190,762)	3,190,762	-	-
Balance at 31 December 2022	806,033	27,995,916	86,584,932	(38,202,883)	(1,080,831)	76,103,167

Company

	Share capital	Share premium	Asset revaluation reserve	Retained earnings	Treasury shares reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2023	806,033	27,995,916	86,584,932	(38,202,883)	(1,080,831)	76,103,167
Loss for the year	-	-	-	(114,251,289)	-	(114,251,289)
Other comprehensive income:						
PPE revaluation surplus, net of tax	-	-	81,614,774	-	-	81,614,774
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	63,491	-	63,491
Total comprehensive loss for the year	-	-	81,614,774	(114,187,798)	-	(32,573,024)
Revaluation surplus realised for the year	-	-	(4,553,561)	4,553,561	-	-
Balance at 31 December 2023	806,033	27,995,916	163,646,145	(147,837,120)	(1,080,831)	43,530,143

Treasury shares reserve relates to receivables from Employee share ownership plan (ESOP) reclassified to equity

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Consolidated and separate statements of cash flows

Notes	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cash flows from operating activities:				
Loss on ordinary activities before taxation	(114,176,901)	(16,035,172)	(114,176,901)	(15,720,613)
Adjustments for:				
Depreciation	15	8,465,194	7,251,203	8,465,194
Depreciation of right of use assets	16(a)	98,297	98,318	98,297
Interest expense on leases	16(b)	19,815	21,919	19,815
Interest received	12a	(130)	(151)	(130)
Interest expense	12b	23,434,894	19,156,471	23,434,894
Write off of PPE	15	-	4,055	-
Impairment of EEG Receivables		-	503,583	-
Discounting fees	19b	1,070,645	-	1,070,645
Impairment of investment property	17	-	1,459,854	-
Current service cost and interest on gratuity	23	561,333	454,993	561,333
Fair value adjustment on investment property	17	(2,315,099)	(8,000,027)	(2,315,099)
Grant income	11	(717,509)	(977,883)	(717,509)
Modification gain	25b	-	(826,492)	-
Exchange difference on borrowings	12b	67,685,223	4,080,311	67,685,223
Changes refinancing of past due obligations	25a	(5,744,477)	-	(5,744,477)
Fair value of gratuity plan assets	23	(4,305)	(24,312)	(4,305)
Loss/(gain) on disposal of fixed assets	10/11	1,970	(9,024)	1,970
Net adjustments for non-cash items		92,555,851	23,192,819	92,555,851
Changes in working capital:				
Inventories		1,556,820	(409,140)	1,512,296
Trade and other receivables		(628,783)	2,076,846	(515,253)
EEG receivable	19b	2,965,901	-	2,965,901
Trade and other payables		20,257,153	3,783,964	20,120,231
Cash generated from operating activities		2,530,043	12,609,315	2,462,125
Gratuity paid	23	(374,795)	(431,934)	(374,795)
Income taxes paid	13	-	(41,748)	-
Net cash generated from operating activities		2,155,248	12,135,633	2,087,330
Cash flows from investing activities:				
Purchases of property, plant and equipment	15	(2,528,311)	(2,448,513)	(2,528,311)
Proceeds from disposal of fixed assets	15	-	9,563	-
Addition to right of use assets	16(a)	-	(294,890)	-
Addition to investment property	17	(109,384)	(281,861)	(109,384)
Interest received	12	130	151	130
Net cash used in investing activities		(2,637,565)	(3,015,550)	(2,637,565)
Cash flows from financing activities:				
Additions to borrowing	25a	-	19,067,475	-
Addition to lease liability	16(b)	-	294,890	-
Repayments of borrowings	25a	(2,900,439)	(11,635,905)	(2,900,439)
Overdraft	25a	6,136,051	-	6,136,051
Principal elements of lease payments	16(b)	(10,184)	(105,208)	(10,184)
Interest paid on lease	16(b)	(19,816)	(8,879)	(19,816)
Interest paid	25a	(669,173)	(15,574,790)	(669,173)
Net cash used in financing activities		2,536,439	(7,962,417)	2,536,439
Net increase in cash and cash equivalents		2,720,565	1,255,338	2,652,648
Cash and cash equivalents at beginning of year		(1,106,910)	(2,264,577)	(1,214,399)
Effect of exchange rate movement in cash and cash equivalent held		(666,444)	(97,672)	(666,444)
Cash and cash equivalents at end of year	20	947,211	(1,106,910)	771,805

The notes on pages 10 to 71 are an integral part of these financial statements.

Notes to the annual, consolidated and separate financial statements

1.0 General information

Notore Chemical Industries Plc ("the Company") was incorporated in Nigeria on 30 November 2005 to manufacture and deal in nitrogenous fertilizers and all substances suited to improving the fertility of soil and water. The company fully rehabilitated a 500,000 metric tonne Urea Plant in Onne, Rivers State, Nigeria and commenced commercial production in the first quarter of 2010. It is a subsidiary of Notore Chemical Industries (Mauritius) Limited.

The principal activities of the Company are to manufacture, treat, process, produce, supply and deal in nitrogenous fertilizer and all substances suited to improving the fertility of soil and water.

The address of the Company's registered office is:

Notore Industrial Complex
Onne
Rivers State
Nigeria

The consolidated financial statements have been prepared through the consolidation of the subsidiaries with the Company. The subsidiaries are: Notore Supply and Trading Mauritius Limited, Notore Power Limited, Notore Foods Limited, Notore Seeds Limited, Notore Industrial City Limited, Notore Supply and Trading Limited BVI and Notore Train II Limited. Except Notore Power and Infrastructure Limited, all the subsidiaries are non-operating as at the reporting date.

These financial statements are presented in Nigerian Naira which is the functional currency of the primary economic environment in which the parent company operates. The financial statements have been rounded to the nearest thousands Naira (NGN'000), except where otherwise indicated.

The Company's financial statements are presented in Nigeria Naira in accordance with the Companies and Allied Matters Act, ("CAMA") and comprise; Consolidated and separate statement of financial position, Consolidated and separate statement of profit or loss and other comprehensive income, Consolidated and separate statement of changes in equity and Consolidated and separate statement of cashflows and notes to the financial statements.

Other additional information provided by management in line with the requirements of the Companies and Allied Matters Act (CAMA) includes; Statement of value added and financial summary

These financial statements cover the financial year from 1 January 2023 to 31 December 2023 with comparatives covering financial year 1 January 2022 to 31 December 2022. The 2023 financial statements cover year of 12 months

2.0 Basis of preparation and adoption of IFRSs

a) Statement of compliance

The consolidated and separate financial statements of Notore Chemical Industries Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matters Act (CAMA) and Financial Reporting Council of Nigeria Act 2011 (as amended).

The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 5.

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2.0 Basis of preparation and adoption of IFRSs (cont'd)

b) Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost basis except for the under mentioned areas which are measured as indicated:

- Investment properties measured at fair value;
- Defined benefit asset measured at fair value;
- Financial instruments (borrowings) measured at amortised cost;
- Inventory is measured at lower of cost and net realisable value;
- Land and building and plant and machinery are carried at revalued amount;
- Gratuity valuation based on independent actuarial valuation performed by independent actuaries using the projected unit credit method

These financial statements were authorised for issue by the board of directors on 28th March 2024.

3.0 Changes in accounting policy and disclosures

3.1 New accounting standards adopted by the group

In the current year, the Group has adopted a number of amendments to IFRS Accounting standards that are mandatorily effective for an accounting year that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The group does not have any contracts that meet the definition of an insurance contract under IFRS 17."

The directors do not expect that the adoption of the Standard will have a material impact on the financial statements of the Group/Company in the next financial year.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

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3.1 New accounting standards adopted by the group (cont'd)

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The directors do not expect that the adoption of the Standard will have a material impact on the financial statements of the Group/Company in the next financial year.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The directors do not expect that the adoption of the Standard will have a material impact on the financial statements of the Group/Company in the next financial year.

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The directors do not expect that the adoption of the Standard will have a material impact on the financial statements of the Group/Company in the next financial year.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

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3.2 New accounting standards issued but not yet adopted

The Group has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

New standards/Amendments	Description
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities and Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The above standards are effective 1 January 2024 except Amendments to IFRS 10 and IAS 28 for which the IASB has not set an effective date

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group/Company in the next financial year.

4.0 Material accounting policies

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

4.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira which is the group's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss within 'administrative expenses' except for exchange differences on foreign currency borrowings which are recognized within 'finance costs'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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4.2 Trade receivables

Trade receivables are amounts due from customers for sale of fertilizer products in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, expected credit loss(ECL)"

4.3 Revenue recognition

The Group recognises revenue from the sales of nitrogenous fertilizers as disclosed in note 8.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer.

Revenue is recognised when the control of the goods is transferred to the customer. This occurs where goods are delivered to the customer's location or picked up from the Company's site.

Revenue from sale of fertiliser is recognised based on the price specified in the contract (sales order), net of the estimated discounts, rebates and returns. Discounts are applied immediately on sale and are all utilized within year ascertained by the Group. Rebates and returns on goods are estimated at the inception of the contract and deducted from transaction price.

The delivery service provided by the Group is a sales fulfillment activity and the income earned is recognised at the point in time when control passes to the customer.

4.4 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, cash balances with banks, other short term highly liquid investments with original maturity of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. If carrying value exceeds net realizable amount, a write down is recognized. The write-down may be reversed in a subsequent year if the circumstances which caused it no longer exist.

4.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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4.7 Provisions and contingent liabilities

Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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 events but is not recognized 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 recognized 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.

4.8 Property, plant and equipment

Property, plant and equipment (excluding land & building and plant & machinery) are initially recognised at cost and subsequently stated at historical cost less accumulated depreciation and accumulated impairment losses if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Cost includes expenditures that are directly attributable to the acquisition of the asset. Cost also includes expenditures for dismantling and removing items and restoring the site on which they were located. Obligations for dismantling, removal or site restoration are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting year. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of profit or loss during the year in which they are incurred.

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each of such part. Depreciation of these assets or parts commences when the assets or parts are ready for their intended use. The carrying amount of a replaced part is derecognized when replaced. Impairment losses and gains and losses on disposals of property, plant and equipment are included in the statement of profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use.

The major categories of property, plant and equipment (excluding land & building and plant & machinery) are depreciated on a straight-line basis as follows:

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4.8 Property, plant and equipment (cont'd)

Asset category	Depreciation rate (%)
Motor vehicle	25
Computer equipment	33
Office equipment	25

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Land & building and plant & machinery are recognised at fair value based on periodic, but at least triennial or if a factor triggers, valuations by external independent valuers, Knight Frank (FRC/2013/000000000584), less subsequent depreciation. The fair value is determined based on the market comparable approach that reflects recent transaction prices for similar properties and plant & machinery. A revaluation surplus is recognised, net of tax, in other comprehensive income and accumulated in asset revaluation reserve in shareholders' equity. To the extent that the surplus reverses a loss previously recognised in profit or loss, the increase is first recognised in profit or loss. Revaluation loss that reverses previous surplus of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other losses are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the asset revaluation reserve to retained earnings within equity.

Depreciation is calculated using the straight-line method to allocate their revalued amounts, net of their residual values, over their estimated useful lives. Freehold land is not depreciated but leasehold land and leasehold improvements is depreciated over the remaining lease term.

For Buildings and land & Machinery, depreciation is calculated as follows:

Asset category	Useful lives
Buildings	50 years
Plant and machinery	10-30 years

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work-in-progress is not depreciated. Attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and they are subsequently depreciated.

4.9 Intangible assets

Computer software licenses are acquired and recognised at acquisition cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditures on software are capitalised only when it increases the future economic benefits of the related software. Software maintenance costs are recognised as expenses in the profit and loss as they are incurred. Amortisation is recognised in profit and loss account on a straight-line basis over the estimated useful life of the software, from the date it is available for use. The estimated useful life of software is three years. Amortisation methods, useful lives, and residual values are reviewed at each reporting date and adjusted, if appropriate. An intangible asset is derecognised where it is certain that there would be no future flow of economic benefit to the Group as a result of holding such asset.

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4.10 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.11 Financial instruments

(i) Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

(a) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(b) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(c) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(d) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

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4.11 Financial instruments (cont'd)

(i) Financial assets (cont'd)

(e) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

(f) Recognition and derecognition

Financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(ii) Financial liabilities at amortised cost

Financial liabilities are classified as financial liabilities at amortised cost. Financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, inclusive of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

These include trade payables and bank borrowings. Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method. Bank borrowings are recognised initially at fair value, net of any transaction costs incurred, and subsequently at amortised cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities."

(a) Derecognition

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

4.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty."

4.13 Impairment of financial assets

Assets carried at amortised cost

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach to determine impairment of trade receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the historical default rates observed over the expected life of the receivable and adjusted with forward-looking information. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the year.

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4.13 Impairment of financial assets (cont'd)

Assets carried at amortised cost (cont'd)

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.

4.14 Share capital

The Company has only one class of shares: ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue over the par value is recorded in the share premium reserve.

4.15 Income taxation

- (a) The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA). Education tax is assessed at 3% of the assessable profits.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the entities in the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income 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.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the group is unable to control the reversal of the temporary difference for associates except where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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4.16 Employee benefits

The group operates various post-employment schemes, including both a defined contribution scheme and a defined benefit obligation scheme.

(i) Defined contribution scheme (Pension obligations)

The Group operates a defined contribution pension scheme for its employees in line with the provisions of the Pension Reform Act (2014). A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

The group's contributions to the defined contribution schemes are charged to the statement of profit or loss for the year to which they relate. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company contributes 10% for employees while employees contribute 8% of their total emoluments respectively.

(ii) Gratuity Scheme

The Group operates a funded defined benefit gratuity scheme for its employees. The employees' retirement benefits under the gratuity scheme depends on the individual's years of service and gross salaries at the end of each completed year and plan assets are managed by external reputable organisation.

The risk that the retirement benefits could cost more than expected or that the return on the investments is lower than expected remains with the Group, and may increase the Group's obligation. Lump-sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of employees of the Group. The liability recognised in the statement of financial position in respect of the unfunded part of gratuity scheme is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of the Federal Government of Nigeria bonds. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in full to equity in other comprehensive income in the year in which they arise.

Past-service costs are recognised immediately in statement of profit or loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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4.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group 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 Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the year of use; and
- the Group has the right to direct the use of the asset. The Group 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 Group has the right to direct the use of the asset if either:

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

This policy is applied to contracts entered into, or changed, on or after 1 October 2019.

The Group primarily leases vehicle and building (used as office space and guest house). The lease terms are typically for fixed years ranging from 1 year to 3 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 Group has elected to separate lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. 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."

"Until the year ending 30 September 2019, leases of property were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the year of the lease.

From 1 October 2019, 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 Group with the exception of low value and short-term leases."

(i) The Group is a lessee

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 Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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4.17 Leases (cont'd)

(i) The Group is a lessee (cont'd)

(a) Lease liabilities

At the commencement date of a lease, the Group 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 Group 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 Group 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 year in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that would have to be paid 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 considered observable inputs (FGN bonds and prime lending rate) and has used a build-up approach to adjust the reference rate for leases of different duration.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. 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.

The Group presents lease liabilities separately from other liabilities in the statement of financial position.

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 on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group presents right-of-use assets as a separate line item in the statement of financial position (note 7.2b(i)).

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4.17 Leases (cont'd)

(i) The Group is a lessee (cont'd)

(c) Short-term leases 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 ₦1,930,000 when new e.g., small IT equipment and small items of office furniture, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

(d) Extension and termination options

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

(ii) Leases in which the Group is a Lessor

The Group leases out its own property to third-party for residential purposes. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income arising from this is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

4.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The Group's government grant relates to benefit of borrowing at below-market rate of interest.

Government grants related to assets, including non-monetary grants at fair value, is presented in the statement in the statement of financial position as deferred income and subsequently amortised to profit or loss on a systematic basis over the useful life of the asset.

4.19 Cost of sales

Cost of sales is primarily comprised of direct materials and supplies consumed in the manufacture and sale of product, as well as manufacturing labour, depreciation expense and direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished product. Cost of sales also includes the cost of haulage and export grant credit. Cost of sales is recognised in the year for which products are sold and matched with the appropriate revenue.

4.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the year of the borrowings using the effective interest method.

Fees paid on the establishment and restructuring of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the year of the facility to which it relates.

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4.21 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group is classified as investment property. Investment property also includes property that is being constructed or developed for future use. Land held under operating leases is classified and accounted for by the Group as investment property when the definition of investment property would otherwise be met.

Investment property is measured initially at its cost, including related transaction costs and (where applicable) borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair values are presented in profit or loss as part of other income. Recognition of investment property takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Group and the cost can be reliably measured.

Valuation of investment property is performed annually.

4.22 Consolidation

(a) Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Investments in subsidiaries are recognised at cost less impairment.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

4.23 Segment reporting

An operating segment is a component of an entity: that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Operating segment is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segment has been identified as the Group Leadership Council ("the Board"). The Group's reportable segment has been identified on a product basis as Fertilizer and the Group is a one segment business.

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4.24 Export expansion grant and Negotiable duty credit certificates

Export expansion grant (EEG) and Negotiable duty credit certificates (NDCC) are initially recognised at fair value when the Group has complied with all the conditions precedents. At the end of each reporting year, the Group assesses whether there is objective evidence that the EEG and NDCC are impaired. Where an objective evidence of impairment is identified, the carrying amount of EEG and NDCC is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

4.25 Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation.

4.26 Events after the reporting year

Events after the reporting year are those events, favourable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorised for issue.

If an event provide evidence of conditions that existed at the end of the reporting year, then an adjustment is made to the financial statement. If an event is indicative of conditions that arose after the reporting year, then no adjustment is required. However, if its material a disclosure to that effect is made.

4.27 Earnings/Loss per share (LPS)

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is the same as Basic loss per share as there are no potential securities convertible to ordinary shares at both year ends.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results.

5.1 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for these benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of employee benefit obligations. The Group's actuaries determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations.

In determining the appropriate discount rate, the actuaries considers the interest rates of high-quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related employee benefit obligation. Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

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5.2 Fair value of investment property and property, plant and equipment

Critical accounting estimates and judgements made on fair value of investment property, plant & machinery and land & building are disclosed in Note 15 and 17 to the financial statements.

5.3 Going concern

Critical accounting estimates and judgements made on use of going concern for preparation of the financial statements are disclosed in Note 30 to the financial statements.

6.0 Financial risk management

6.1 Introduction and overview of company and group risk management

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by a treasury department under policies approved by the board of directors. Treasury identifies, evaluates, and manages financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, other price risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The group is exposed to risks resulting from fluctuations in foreign currency exchange rates in relation to its export sales which arises from its exposures primarily to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Management has set up a policy to manage the group's foreign exchange risk against its functional currency. To manage the foreign exchange risks arising from future commercial transactions and recognised assets and liabilities, the Group uses off-setting approach. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group's functional currency.

A material change in the value of any such foreign currency could result in a material adverse effect on the group's cash flow and future profits. The group is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the Naira. The group holds the majority of its cash and cash equivalents in Naira. However, the group does maintain deposits in US Dollars in order to fund ongoing commercial activity and other expenditure incurred in these currencies. Currency exposure arising from assets and liabilities denominated in foreign currencies is managed primarily by setting limits on the amounts that that may be invested in such deposits.

The foreign currency risk sensitivity analysis reflects the expected financial impact in Naira equivalent resulting from a 10% change to foreign currency risk exposure.

A 10 percent strengthening/weakening of Nigerian Naira against the following currencies as at 31 December 2023 and 31 December 2022 would have increased/(decreased) group's profit before tax by the amount shown below. This analysis assumes that all other variables remains constant.

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6.1 Introduction and overview of company and group risk management (cont'd)

(a) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

	31 Dec 2023 USD '000	31 Dec 2022 USD '000
Financial assets		
Trade and other receivables	-	-
Cash and cash equivalents	87	123
	<u>87</u>	<u>123</u>
Financial liabilities		
Borrowings	126,678	134,964
Trade and other payables	9,672	8,690
	<u>136,350</u>	<u>143,654</u>
 Net exposure in statement of financial position	 <u>(136,263)</u>	 <u>(143,531)</u>

	Reporting date exchange rates & translation	Sensitivity of profit to 10% strengthening of Naira	Sensitivity of profit to 10% weakening of Naira
31 December 2023			
Nigerian Naira ('000)	(129,693,398)	12,969,340	(12,969,340)
31 December 2022			
Nigerian Naira ('000)	(66,239,566)	6,623,957	(6,623,957)

The foreign exchange risk is mainly from loan, foreign creditors and intercompany balances denominated in foreign currencies.

The Group's balances in foreign currencies other than the US Dollars are insignificant. Therefore, the impact of strengthening and/or weakening in the Naira against the currencies is not material to the financial statements.

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings and the group policy is to maintain its borrowings in fixed rate instruments.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions. The Group is not exposed to interest rate risk as it only has fixed rate instruments carried at amortised cost.

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6.1 Introduction and overview of company and group risk management (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Group & Company	
	31 Dec 2023	31 Dec 2022
Fixed rate instruments		
Financial assets (Treasury bills)	-	-
Financial liabilities (Note 25)	228,645,143	142,380,135
	<u>228,645,143</u>	<u>142,380,135</u>

(b) Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the group. Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The group's maximum exposure to credit risk due to default of the counter party is equal to the carrying value of its financial assets. No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties. There is no collateral on exposure to credit risk.

The group's maximum exposure to credit risk as at the reporting date is:

	31 Dec 2023 N'000	31 Dec 2022 N'000
Trade receivables (Note 19a)	-	-
Employee receivable (Note 19a)	729	9,457
Other receivables (excluding non-financial instruments) (Note 19a)	4,000	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	947,211	570,161
	<u>951,940</u>	<u>583,618</u>

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6.1 Introduction and overview of company and group risk management (cont'd)

(b) Credit risk (cont'd)

The company's maximum exposure to credit risk as at the reporting date is:

	31 Dec 2023	31 Dec 2022
	N'000	N'000
Trade receivables (Note 19a)	-	-
Employee receivable (Note 19a)	729	9,457
Other receivables (excluding non-financial instruments) (Note 19a)	4,000	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	771,805	462,672
	<u>776,534</u>	<u>476,129</u>

The table below analyses the group's financial assets less impairment of trade receivables into relevant maturity groupings at the reporting date

	Neither past due nor impaired	Past due but not impaired			Total
		Up to 3 months	3 months to 6 months	6 months and above	
31 December 2023	N'000	N'000	N'000	N'000	N'000
Trade receivables	-	-	-	-	-
Employee receivable	729	-	-	-	729
Other receivables	-	-	-	4,000	4,000
Cash and cash equivalents (excluding overdraft)	947,211	-	-	-	947,211

	Neither past due nor impaired	Past due but not impaired			Total
		Up to 3 months	3 months to 6 months	6 months and above	
31 December 2022	N'000	N'000	N'000	N'000	N'000
Trade receivables	-	-	-	-	-
Employee receivable	9,457	-	-	-	9,457
Other receivables	-	-	-	4,000	4,000
Cash and cash equivalents (excluding overdraft)	570,161	-	-	-	570,161

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6.1 Introduction and overview of company and group risk management (cont'd)

(b) Credit risk (cont'd)

The table below analyses the company's financial assets less impairment of trade receivables into relevant maturity groupings at the reporting date

	Neither past due nor impaired	Past due but not impaired			Total
		Up to 3 months	3 months to 6 months	6 months and above	
31 December 2023	N'000	N'000	N'000	N'000	N'000
Trade receivables	-	-	-	-	-
Employee receivable	729	-	-	-	729
Other receivables (excluding non-financial instruments)	-	-	-	4,000	4,000
Cash and cash equivalents (excluding overdraft)	771,805	-	-	-	771,805

	Neither past due nor impaired	Past due but not impaired			Total
		Up to 3 months	3 months to 6 months	6 months and above	
31 December 2022	N'000	N'000	N'000	N'000	N'000
Trade receivables	-	-	-	-	-
Employee receivable	9,457	-	-	-	9,457
Other receivables (excluding non-financial instruments)	-	-	-	4,000	4,000
Cash and cash equivalents (excluding overdraft)	462,672	-	-	-	462,672

Movements in the impaired trade receivables and the related provision for impairment are as follows:

	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Provisions for impairment of trade receivables:		
Balance at the beginning of the year	-	686,486
Charged for the year (Note 11a)	-	-
Reversed during the year (Note 11a)	-	(686,486)
Balance at the end of the year (Note 21a)	-	-

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the statement of profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

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6.1 Introduction and overview of company and group risk management (cont'd)

(b) Credit risk (cont'd)

Credit quality of financial assets

The credit quality of trade receivables are assessed by reference to historical information about counterparty default rates and the credit policy of the Group and Company.

An analysis of the credit rating of counterparties where cash and cash equivalents are held is presented as follows:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
B	947,211	570,161	771,805	462,672

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

Impairment assessment of bank balances in the year indicate that the fair values of the balances equal the carrying amount at the financial position date.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining year at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2023	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Borrowings	131,044,872	48,105,848	128,838,784	164,289,460	472,278,964
Trade payables (Note 26)	25,983,904	-	-	-	25,983,904
Interest and fees payable (Note 26)	-	-	-	-	-
Accrued expenses (excluding non-financial instruments) (Note 26)	6,149,730	-	-	-	6,149,730
Leases(16b)	192,538	-	-	-	192,538
Amount due to related parties (Note 27)	20,893,477	-	-	-	20,893,477

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6.1 Introduction and overview of company and group risk management (cont'd)

(c) Liquidity risk (cont'd)

At 31 December 2022	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Borrowings	49,918,102	29,369,262	88,501,620	67,272,084	235,061,068
Trade payables (Note 26)	9,505,856	-	-	-	9,505,856
Interest and fees payable (Note 26)	-	-	-	-	-
Accrued expenses (excluding non-financial instruments) (Note 26)	2,785,682	-	-	-	2,785,682
Leases(16b)	102,584	100,138	-	-	202,722
Amount due to related parties (Note 27)	20,701,644	-	-	-	20,701,644

The table below analyses the company's non-derivative financial liabilities into relevant maturity groupings based on the remaining year at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2023	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Borrowings	131,044,872	48,105,848	128,838,784	164,289,460	472,278,964
Trade payables (Note 26)	25,983,904	-	-	-	25,983,904
Interest and fees payable (Note 26)	-	-	-	-	-
Accrued expenses (excluding non-financial instruments) (Note 26)	6,149,730	-	-	-	6,149,730
Leases(16b)	192,538	-	-	-	192,538
Amount due to related parties (Note 27)	20,943,477	-	-	-	20,943,477

At 31 December 2022	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
Borrowings	49,918,102	29,369,262	88,501,620	67,272,084	235,061,068
Trade payables (Note 26)	9,466,995	-	-	-	9,466,995
Interest and fees payable (Note 26)	-	-	-	-	-
Accrued expenses (excluding non-financial instruments) (Note 26)	2,785,682	-	-	-	2,785,682
Leases(16b)	102,584	100,138	-	-	202,722
Amount due to related parties (Note 26)	21,068,834	-	-	-	21,068,834

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6.1 Introduction and overview of company and group risk management (cont'd)

(c) Liquidity risk (cont'd)

The table below analysis the maturity analysis of financial assets the Company and Group holds for managing liquidity risk

Group

	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2023					
Trade and other receivables	4,729	-	-	-	4,729
EEG Receivable	-	-	-	-	-
Cash at bank and in hand	947,211	-	-	-	947,211
	951,940	-	-	-	951,940

	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2022					
Trade and other receivables	13,457	-	-	-	13,457
EEG Receivable	4,036,546	-	-	-	4,036,546
Cash at bank and in hand	570,161	-	-	-	570,161
	4,620,164	-	-	-	4,620,164

Company

	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2023					
Trade and other receivables	4,729	-	-	-	4,729
EEG Receivable	-	-	-	-	-
Cash at bank and in hand	771,805	-	-	-	771,805
	776,534	-	-	-	776,534

	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000
At 31 December 2022					
Trade and other receivables	13,457	-	-	-	13,457
EEG Receivable	4,036,546	-	-	-	4,036,546
Cash at bank and in hand	462,672	-	-	-	462,672
	4,512,675	-	-	-	4,512,675

The Company has disclosed in note 30 to the financial statement the measures to be taken in improving its liquidity position of the business in the coming year

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6.2 Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2023 and 31 December 2022 for the group were as follows:

	Group	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Total borrowings and leases (Note 25 & 16b)	228,837,681	142,582,858
Less: Cash in hand and at bank (Note 20)	(947,211)	(570,161)
Net debt	227,890,470	142,012,697
Total equity	42,805,013	75,378,036
Total capital employed	270,695,483	217,390,733
Gearing ratio	84%	65%

The gearing ratios at 31 December 2023 and 31 December 2022 for the company were as follows:

	Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Total borrowings and leases (Note 25 & 16b)	228,837,681	142,582,858
Less: Cash in hand and at bank (Note 20)	(771,805)	(462,672)
Net debt	228,065,876	142,120,186
Total equity	43,530,142	76,103,166
Total capital employed	271,596,018	218,223,352
Gearing ratio	84%	65%

The gearing ratio increased significantly in the current year compared to prior year due to exchange rate unification regime of the Federal Government which caused material devaluation of the Naira as a significant portion of the Group's borrowings are in foreign currency(USD).

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6.3 Financial instruments by category

The Group's financial instruments are categorised as follows:

	Group	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Financial assets at amortised cost		
Trade and other receivables (excluding non-financial instruments)	4,729	13,457
Cash in hand and at bank	947,211	570,161
	<u>951,940</u>	<u>583,618</u>
Liabilities at amortised cost		
Borrowings	228,645,143	142,380,135
Trade and other payables (excluding non-financial instruments)	53,800,515	33,201,360
	<u>282,445,658</u>	<u>175,581,495</u>

The Company's financial instruments are categorised as follows:

	Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Financial assets at amortised cost		
Trade and other receivables (excluding non-financial instruments)	4,729	13,457
Cash in hand and at bank	771,805	462,672
	<u>776,534</u>	<u>476,129</u>
Liabilities at amortized cost		
Borrowings	228,645,143	142,380,135
Trade and other payables (excluding non-financial instruments)	53,850,515	33,529,689
	<u>282,495,658</u>	<u>175,909,824</u>

The carrying values of cash and cash equivalents, trade receivables, trade payables and current borrowings approximate their fair value.

	Group			
	Carrying amount		Fair value	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Non-current borrowings (Note 25)	162,978,200	109,760,326	238,685,493	198,036,742

Fair value of non-current borrowings is determined using observable market interest rate. It is classified under level 2 of the fair value hierarchy.

	Company			
	Carrying amount		Fair value	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Non-current borrowings (Note 25)	162,978,200	109,760,326	238,685,493	198,036,742

Fair value of non-current borrowings is determined using observable market interest rate. It is classified under level 2 of the fair value hierarchy.

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6.4 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is presented in note 17.

	Group			
	Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000
31 December 2023				
Trade receivables (Note 19a)	-	-	-	-
Employee receivable (Note 19a)	-	729	-	729
Other receivables (excluding non-financial instruments) (Note 19a)	-	4,000	-	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	-	947,211	-	947,211
	<u>-</u>	<u>951,940</u>	<u>-</u>	<u>951,940</u>
31 December 2022	N'000	N'000	N'000	N'000
Trade receivables (Note 19a)	-	-	-	-
Employee receivable (Note 19a)	-	9,457	-	9,457
Other receivables (excluding non-financial instruments) (Note 19a)	-	4,000	-	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	-	570,161	-	570,161
	<u>-</u>	<u>583,618</u>	<u>-</u>	<u>583,618</u>

The carrying amounts of the financial liabilities for both years approximate their fair values.

	Company			
	Level 1	Level 2	Level 3	Total
		N'000	N'000	N'000
31 December 2023				
Trade receivables (Note 19a)	-	-	-	-
Employee receivable (Note 19a)	-	729	-	729
Other receivables (excluding non-financial instruments) (Note 19a)	-	4,000	-	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	-	771,805	-	771,805
	<u>-</u>	<u>776,534</u>	<u>-</u>	<u>776,534</u>
31 December 2022	N'000	N'000	N'000	N'000
Trade receivables (Note 19a)	-	-	-	-
Employee receivable (Note 19a)	-	9,457	-	9,457
Other receivables (excluding non-financial instruments) (Note 19a)	-	4,000	-	4,000
Cash and cash equivalents (excluding overdraft) (Note 20)	-	462,672	-	462,672
	<u>-</u>	<u>476,129</u>	<u>-</u>	<u>476,129</u>

The carrying amounts of the financial liabilities for both years approximate their fair values.

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7.0 Impairment of financial assets IFRS 9

(a) Trade receivables

The Group applies the simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance for all trade receivables using the provision matrix approach. Trade receivables represent the amount receivable from customers for the sale of goods in the ordinary course of business.

The provision matrix approach is based on the historical credit loss experience observed based on the settlement pattern of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered are inflation and gross domestic product (GDP).

The expected loss rates as at 31 December 2023 are as follows:

Group & Company	0-30	31-90	91-180	181-365	After	Total
Age of trade receivables	days	days	days	days	365 days	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	-	-	-	-	-	-
Default rate	16.92%	53.57%	64.68%	87.27%	100.00%	
Lifetime ECL	-	-	-	-	-	-
Total	-	-	-	-	-	-

The reconciliation of the gross carrying amount for trade receivables is as follows:

	₦'000
Gross carrying amount as at 1 January	-
Additions during the year	-
Receipts for the year	-
Write off of trade receivables	-
Gross carrying amount as at 31 December	-

The expected loss rates as at 31 December 2022 are as follows:

Group & Company	0-30	31-90	91-180	181-365	After 365	Total
Age of trade receivables	days	days	days	days	days	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Gross carrying amount	-	-	-	-	-	-
Default rate	16.92%	53.57%	64.68%	87.27%	100.00%	
Lifetime ECL	-	-	-	-	-	-
Total	-	-	-	-	-	-

The reconciliation of the gross carrying amount for trade receivables is as follows:

	₦'000
Gross carrying amount as at 1 October	729,905
Additions during the year	-
Receipts for the year	(43,419)
Write off of trade receivables	(686,486)
Gross carrying amount as at 31 December	-

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7.0 Impairment of financial assets IFRS 9 (cont'd)

(b) Other receivables

At the reporting date, other receivables include rent receivables and employee receivables (existing and exited staff). The Group applied the IFRS 9 general model for measuring ECL on these financial assets. This requires a three-stage approach in recognising the expected loss allowance. A day one provision is required on these instruments. The three-stage model will require monitoring of credit risk to determine when there has been a significant increase. The ECL has been calculated using the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The three (3) stage model also incorporate forward looking estimates.

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

The Group considers quantitative, qualitative and 'backstop' indicators in classifying these financial assets into the relevant stages for impairment calculation. Impairment provision is recognised in three stages based on days past due and after considering other qualitative criteria.

Using the backstop criteria stated, a worst-case staging is assigned to every facility.

- Stage 1: This stage includes financial assets that are less than 30 days past due (Performing).
- Stage 2: This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Stage 3: This stage includes financial assets that have been assessed as being in default. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The parameters used to determine impairment for rent receivable and employee receivables are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual year over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

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7.0 Impairment of financial assets IFRS 9

(b) Other receivables (cont'd)

	Other receivables	
	Rent receivables	Employee receivables
Probability of Default (PD)	The credit rating of the counterparty determined by external rating agencies was used to reflect the assessment of the probability of default on this receivable. This was supplemented with external data from S&P to arrive at a 12-month PD and life time PD for stage 1 and stage 2. PD of 6.75% was used for B-rated facilities and 26.89% for CCC/C rated facilities. The PD for stage 3 is 100%.	The credit rating of the counterparty determined by external rating agencies was used to reflect the assessment of the probability of default on this receivable. This was supplemented with external data from Fitch to arrive at a 12-month PD and life time PD for stage 1 and stage 2. PD of 25.23% and 100% was used for CCC+ and D rated facilities respectively. The PD for stage 3 and exited staff is 100%
Loss Given Default (LGD)	The LGD was determined using the average recovery rate for Moody's senior unsecured bonds. This was adjusted with the federal reserve formulae to reflect downturn LGD.	The LGD was determined using the average recovery rate for Moody's senior unsecured loans. This was adjusted with the federal reserve formulae to reflect downturn LGD.
Exposure at Default (EAD)	The EAD is the maximum exposure of the receivable to credit risk without taking account of any collateral.	The EAD is the maximum exposure of the receivable to credit risk without taking account of any collateral.
Forward Looking Information	The Nigerian inflation rate and Gross Domestic Product (GDP) were identified as economic variables affecting the credit risk	The Group used the Nigerian inflation rate, Unemployment rate and Gross Domestic Product (GDP) growth rate in prior year. However, due to lack of statistical data for unemployment rate, the Group has used the Nigerian inflation rate and Gross Domestic Product (GDP) growth rate as the macro-economic variable affecting the credit risk.
Probability weightings	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP and inflation rate historical experience from 2000 - 2020. 42.5% weight was assigned to best case, 27.5% for optimistic and 30% for downturn.	The Z score was used to calculate the probability of having a best, downturn and optimistic scenarios by comparing Nigeria GDP and inflation rate historical experience from 2000 – 2020 42.5% weight was assigned to best case, 27.5% for optimistic and 30% for downturn.

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7.0 Impairment of financial assets IFRS 9

(b) Other receivables (cont'd)

The IFRS 9 general approach has been used to determine the ECL on other financial assets as shown below:

Group & Company

(i) Rent receivables

	31-Dec-23			
	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
	Gross EAD	-	-	-
Loss allowance	-	-	-	-
Net EAD	-	-	-	-

	31-Dec-22			
	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
	Gross EAD	-	-	-
Loss allowance	-	-	-	-
Net EAD	-	-	-	-

Note: Loss allowance on rent receivable has been captured in Note 10ai. The net rent receivable is included as part of other receivable in Note 19.

(ii) Employee Receivables

	31-Dec-23			
	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
	Gross EAD	571	-	500
Loss allowance	(57)	-	(285)	(342)
Net EAD	513	-	215	729

	31-Dec-22			
	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Total ₦'000
	Gross EAD	9,534	-	2,037
Loss allowance	(953)	-	(1,161)	(2,114)
Net EAD	8,581	-	876	9,457

Note: Loss allowance on employee receivable has been captured in Note 10ai. The net employee receivable is included as part of trade and other receivables in Note 20.

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7.0 Impairment of financial assets IFRS 9

(b) Other receivables (cont'd)

(iii) Ex-staff Receivables

	31-Dec-23			
	Stage 1	Stage 2	Stage 3	Total
	12-month			
	ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	-	-	-	-
Loss allowance	-	-	-	-
Net EAD	-	-	-	-
	31-Dec-22			
	Stage 1	Stage 2	Stage 3	Total
	12-month			
	ECL	Lifetime ECL	Lifetime ECL	
	N'000	N'000	N'000	N'000
Gross EAD	-	-	-	-
Loss allowance	-	-	-	-
Net EAD	-	-	-	-

(c) Cash and cash equivalents

The Group also assessed the cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at 31 December 2023 to be insignificant, as the loss rate is deemed immaterial. Cash and cash equivalents are assessed to be in stage 1.

7.1 Reconciliation of impairment loss on financial assets

Movements in the provision for impairment of trade and other receivables that are assessed for impairment are as follows:

(a) Trade receivables

	Group and Company	
	31-Dec-23	31-Dec-22
	N'000	N'000
At beginning of the year	-	686,486
Movement in ECL in profit or loss due to:		
New trade receivables recognised	-	-
Write off of trade receivable	-	(686,486)
At end of the year	-	-

(b) Other receivables

(i) Employee receivables

	31-Dec-23	31-Dec-22
	N'000	N'000
At beginning of the year	2,114	1,609
Movement in ECL in profit or loss due to:		
New financial assets recognized	(1,772)	505
Financial assets derecognized	-	-
At end of the year	342	2,114

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7.2 Sensitivity of estimates used in IFRS 9 ECL

Estimation uncertainty in measuring impairment loss

No sensitivity analysis has been carried out during the year because there was no trade receivables in the current and prior year. This is as a result of customers making payment in advance for product as disclosed in note 26.

8 Revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
8a Revenue by product line				
NPK	1,021,407	2,651,616	1,021,407	2,651,616
Urea and other chemicals	20,330,021	29,409,375	20,330,021	29,409,375
Ammonia	193,734	165,707	193,734	165,707
Infrastructure services	-	78,290	-	-
Total	21,545,162	32,304,988	21,545,162	32,226,698
8b Analysis by geographical location:				
Analysis by geographical location:				
Within Nigeria	21,297,765	14,779,161	21,297,765	14,700,871
Outside Nigeria	247,397	17,525,827	247,397	17,525,827
	21,545,162	32,304,988	21,545,162	32,226,698
8c Segment Reporting				

The Group's reportable segment has been identified on a product basis as fertilizer because all the company's sales comprise mainly fertilizer products with similar risks and rewards. The Group is a one segment business and revenue is generated from local and export sales. An analysis based on customers' locations is set out above. Infrastructure services does not meet the criteria for a reportable segment.

The fertilizer operating segment operating result is reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The fertilizer segment result that is reported to the Company's Board of Directors include items directly attributable to the segment. The Board of Directors is the Chief Operating decision maker.

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9	Cost of sales	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		N'000	N'000	N'000	N'000
	Raw materials and other chemicals cost	10,570,126	11,465,480	10,570,126	11,465,480
	Overheads	11,950,104	8,874,864	11,950,104	8,874,864
	Depreciation	8,001,469	6,790,529	8,001,469	6,790,529
	Staff cost (Note 10d)	3,091,025	2,262,733	3,091,025	2,262,733
	Haulage cost	29,453	8,000	29,453	8,000
	Infrastructure services cost	-	1,584	-	-
	Total	33,642,177	29,403,190	33,642,177	29,401,606

Included in overheads are repairs and maintenance expenses incurred in the year

Analysis of depreciation charged by nature

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Depreciation on PPE charged to cost of sales	8,001,469	6,790,529	8,001,469	6,790,529
Depreciation on PPE charged to admin expenses	463,725	460,675	463,725	460,675
Total depreciation charged on PPE (Note 15)	8,465,194	7,251,204	8,465,194	7,251,204

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10 Administrative expenses

The following balances are included as part of administrative expenses by nature:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Employee benefit expense(Note 10d)	3,587,861	3,301,634	3,587,861	3,087,945
Repair and maintenance	151,693	183,297	151,693	183,297
Consultancy*	701,271	474,871	701,271	367,171
Transportation & Travel	145,427	365,358	145,427	361,334
Depreciation	463,725	460,675	463,725	460,675
Depreciation of right of use asset (Note 16a)	98,297	98,318	98,297	98,318.00
Corporate promotion expenses	127,370	91,016	127,370	86,064
Directors fees	3,053,348	771,695	3,053,348	771,695
Board expenses	46,666	47,835	46,666	47,835
Foreign currency exchange loss/(gain)	4,543,020	-	4,543,020	-
Bank charges	44,392	104,184	44,392	102,504
Donations	3,685	-	3,685	-
Business development	-	3,763	-	3,763
Rent and rates expenses	35,453	43,005	35,453	43,005
Insurance expenses	149,081	104,332	149,081	104,332
Outsourced services	107,599	61,676	107,599	61,676
Licensing fees	51,473	124,475	51,473	124,475
Community relations	96,000	256,000	96,000	256,000
Write down of asset	-	1,459,854	-	1,459,854
Telephone expenses	13,508	24,962	13,508	24,962
Internet data link	6,877	26,431	6,877	26,431
Statutory fees*	48,735	244,474	48,735	244,474
Seminars and workshops	959	1,197	959	1,197
Office stationery	5,233	12,042	5,233	12,042
Loss on disposal of fixed asset	1,970	-	1,970	-
Other admin and general expenses	542,872	768,075	542,872	730,671
Auditor's remuneration provision	50,000	51,000	50,000	45,000
	14,076,515	9,080,169	14,076,515	8,704,720

*Included in statutory fees are local government rates and levies, registration fees, legal fees and ground rent.

*Included in consultancy is non audit service of ₦15 million provided by Deloitte & Touche in the review of ICFR report prepared by PriceWaterHouseCoopers

*Consultancy includes various professional services offered to the business during the year. Such as fair valuation of investment property, revaluation of property, plant and equipment, legal and other technical services.

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10a Impairment (loss)/gain on financial assets

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Increase in impairment allowance for trade receivables (Note 6.1b)	-	-	-	-
Net increase/(decrease) in impairment allowance for rent receivables (Note 7.2)	-	-	-	-
Net decrease in impairment allowance for employee receivables (Note 7.2)	(1,772)	505	(1,772)	505
Decrease in impairment allowance for ex-staff receivables (Note 7.2)	-	-	-	-
	<u>(1,772)</u>	<u>505</u>	<u>(1,772)</u>	<u>505</u>

10b Selling and distribution expenses

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Marketing expenses	323,546	189,678	323,546	173,862

10c Employee benefits expense

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Salaries and wages	3,218,862	3,570,926	3,218,862	3,357,237
Housing benefit	440,065	440,065	440,065	440,065
Transport benefit	221,738	221,738	221,738	221,738
Medical benefit	361,727	288,273	361,727	288,273
Other employee benefits	1,631,038	274,414	1,631,038	274,414
Termination benefits	(1,146)	16,953	(1,146)	16,953
Employer's pension contribution - defined contributions	285,983	337,719	285,983	337,719
Gratuity charge (Note 24a)	520,619	414,279	520,619	414,279
	<u>6,678,886</u>	<u>5,564,367</u>	<u>6,678,886</u>	<u>5,350,678</u>

10d Analysis of employee benefits expense charged to:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cost of sales	3,091,025	2,262,733	3,091,025	2,262,733
Administrative expenses	3,587,861	3,301,634	3,587,861	3,087,945
	<u>6,678,886</u>	<u>5,564,367</u>	<u>6,678,886</u>	<u>5,350,678</u>

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11 Other income

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Fair value adjustment on investment property (Note 17)	2,315,099	8,000,027	2,315,099	8,000,027
Gain on foreign currency conversion	-	3,036,207	-	3,036,207
Others*	425,598	1,146,431	425,598	1,146,431
Gain on disposal of fixed assets	-	9,024	-	9,024
Grant Income (Note 25b)	717,509	977,883	717,509	977,883
Housing estate income	-	422,361	-	422,361
	<u>3,458,206</u>	<u>13,591,933</u>	<u>3,458,206</u>	<u>13,591,933</u>

*Include in other income is housing estate revenue (net) N471 million generated by the Company in 2023

12 Finance income and costs

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
12a Finance income				
Interest income on short-term bank deposits	130	151	130	151
12b Finance cost				
Interest expense:				
– Interest and fees on borrowings	23,434,894	19,156,471	23,434,894	19,156,471
– Interest expense on lease liability (Note 16b)	19,816	21,920	19,816	21,920
– Exchange difference on bank borrowings	67,685,223	4,080,311	67,685,223	4,080,311
	<u>91,139,933</u>	<u>23,258,702</u>	<u>91,139,933</u>	<u>23,258,702</u>
Net finance costs	<u>91,139,803</u>	<u>23,258,551</u>	<u>91,139,803</u>	<u>23,258,551</u>

12c The exchange difference relates to exchange loss suffered on restatement of Dollar denominated loan as a result of Naira devaluation by Central Bank of Nigeria from ₦461/\$ during the year ended December 2022 and restated in December 2023 to ₦951.79/\$.

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13	Income tax expense	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		N'000	N'000	N'000	N'000
	Profit or loss account:				
	Education tax	-	-	-	-
	Minimum tax charge for the year	113,531	189,093	113,531	189,093
	Prior year (over)/under provision for income tax	(39,143)	-	(39,143)	-
	Income tax expense for the year	74,388	189,093	74,388	189,093
	Deferred tax charge for the year	-	-	-	-
	Deferred tax credit for the year	-	(9,061,315)	-	(9,061,315)
	Deferred tax credit for the year	-	(9,061,315)	-	(9,061,315)
	Total Income tax credit for the year	74,388	(8,872,222)	74,388	(8,872,222)

Notore has a free zone developer status as granted by the Oil and Gas Free Zones Authority. In addition, the Company obtains annual Free Zone Enterprise License. Accordingly, the Company is exempted from all Federal, States and Local Governments taxes, levies and rates. Notwithstanding the exemption, the Company's revenue earned from sales of goods and services into Nigeria territory will be subjected to taxation to the extent that the sales did not pass through the custom control processes.

Reconciliation of statutory and effective tax rates

The tax on the Company's profit before tax differs from the theoretical amount as follows:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Loss before income tax	(114,176,901)	(16,035,172)	(114,176,901)	(15,720,613)
Tax calculated at the rate of 30% (2022: 30%)	(34,253,070)	(4,810,552)	(34,253,070)	(4,716,184)
Effect of:				
Capital gains tax	-	-	-	-
Minimum tax charge for the year	113,531	189,093	113,531	189,093
Education tax	-	-	-	-
Tax rate differential	17,355,281	(4,250,763)	17,355,281	(4,345,131)
Prior year under (over)/provision for income tax	(39,143)	-	(39,143)	-
Change in unrecognised deferred tax credit	16,897,789	-	16,897,789	-
Total income tax expense in income statement	74,388	(8,872,222)	74,388	(8,872,222)

The applicable tax rates used for the 2023 and 2022 reconciliations above is the corporate tax rate of 30% payable by taxable entities in Nigeria on taxable profits under tax law in Nigeria.

Tax rate differential relates to the portion of deferred tax credit charged to income statement excluding the portion arising from the current year loss.

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13 Income tax expense (cont'd)

The movement in the current income taxation payable is as follows:

	Group and Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
At start of the year	213,055	65,710
Charge for the year - Income tax	74,388	189,093
Charge for the year - Education tax	-	-
Withholding tax credit note utilised during the year	(173,912)	-
Payment during the year	-	(41,748)
Total current income tax liabilities	113,531	213,055

13a Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group and Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	56,067,373	58,801,542
- Deferred tax assets to be recovered within 12 months	2,957,964	223,795
	<u>59,025,337</u>	<u>59,025,337</u>
Deferred tax liabilities:		
- Deferred tax liabilities to be recovered after more than 12 months	61,396,000	59,898,016
- Deferred tax liabilities to be recovered within 12 months	2,916	1,500,900
	<u>61,398,916</u>	<u>61,398,916</u>
Deferred tax (liability)/asset - (net)	(2,373,579)	(2,373,579)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Group and Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Deferred tax assets:		
Deferred income tax asset:		
Balance at the beginning of the year	59,025,337	49,904,402
Credit to profit or loss for the year	-	9,061,315
Credit to other comprehensive income for the year	-	59,620
Total deferred tax asset	59,025,337	59,025,337
Deferred tax liabilities:		
Deferred income tax liabilities:		
Balance at the beginning of the year	61,398,916	49,904,402
Charge to profit or loss for the year	-	-
Charge to other comprehensive income for the year	-	11,494,514
Total deferred tax liabilities	61,398,916	61,398,916

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13a Deferred income tax (cont'd)

Recognised deferred tax assets and liabilities for Group and Company are attributable to the following:

	Investment property	Property, plant and equipment	Employee benefit obligation	Provisions	Tax losses	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Deferred tax assets						
At 1 January 2022	-	21,817,431	814,388	276,072	26,996,512	49,904,402
Credited to profit or loss for the year	-	-	-	2,698,481	6,362,834	9,061,315
Credit to other comprehensive income for the year	-	-	59,620	-	-	59,620
At 31 December 2022	-	21,817,431	874,008	2,974,553	33,359,345	59,025,337
At 1 January 2023	-	21,817,431	874,008	2,974,553	33,359,345	59,025,337
Credited to profit or loss for the year	-	-	-	-	-	-
Credit to other comprehensive income for the year	-	-	-	-	-	-
At 31 December 2023	-	21,817,431	874,008	2,974,553	33,359,345	59,025,337
	Investment property	Property, plant and equipment	Employee benefit obligation	Provisions	Tax losses	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Deferred tax liabilities						
At 1 January 2022	-	45,950,180	114,893	3,839,329	-	49,904,402
Charged to profit or loss for the year	-	-	-	-	-	-
Charged to other comprehensive income for the year	-	11,494,514	-	-	-	11,494,514
At 31 December 2022	-	57,444,694	114,893	3,839,329	-	61,398,916
At 1 January 2023	-	57,444,694	114,893	3,839,329	-	61,398,916
Charged to profit or loss for the year	-	-	-	-	-	-
Charged to other comprehensive income for the year	-	-	-	-	-	-
At 31 December 2023	-	57,444,694	114,893	3,839,329	-	61,398,916
Net deferred tax liability - 31 December 2022	-	(35,627,263)	759,114	(864,776)	33,359,345	(2,373,579)
Net deferred tax liability - 31 December 2023	-	(35,627,263)	759,114	(864,776)	33,359,345	(2,373,579)

Deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Tax losses(revenue in nature)	-	-	-	-
Unutilised tax credit	16,897,789	-	16,897,789	-
Deductible temporary differences	-	-	-	-
Unrecognised deferred tax asset	16,897,789	-	16,897,789	-

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income 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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

14 Loss per share (LPS)

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is the same as Basic loss per share as there are no potential securities convertible to ordinary shares at both year ends.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Loss for the year attributable to shareholders	(114,251,289)	(7,162,950)	(114,251,289)	(6,848,391)
Weighted average number of ordinary shares in issue	1,612,066	1,612,066	1,612,066	1,612,066
Basic loss per share (Naira)	(70.87)	(4.44)	(70.87)	(4.25)

Notes to the annual, consolidated and separate financial statements

(All amounts are in thousands of Naira, unless otherwise stated)

15 Property, plant and equipment

Group	Land	Building	Plant & Machinery	Motor Vehicle	Computer Equipment	Office Equipment	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation								
At 1 January 2022	2,041,333	8,908,540	145,424,878	682,669	348,635	483,745	9,144,522	167,034,322
Additions	-	4,387	762,335	-	65,831	7,584	1,608,376	2,448,513
Revaluation surplus	4,138,637	6,670,667	8,839,281	-	-	-	-	19,648,585
Disposal	-	-	-	(11,183)	(2,861)	-	-	(14,044)
Reclass	-	1,602,160	1,050,849	-	69,138	-	(2,722,147)	-
Write-off	-	-	-	-	-	-	(4,055)	(4,055)
At 31 December 2022	6,179,970	17,185,754	156,077,344	671,487	480,742	491,329	8,026,697	189,113,323
Accumulated depreciation								
At 1 January 2022	-	569,462	13,878,805	560,209	319,067	413,099	-	15,740,642
Charge for the year	-	258,686	6,790,527	122,264	48,748	30,978	-	7,251,203
Revaluation surplus	-	(828,147)	(20,669,332)	-	-	-	-	(21,497,479)
Disposal	-	-	-	(11,182)	(2,322)	-	-	(13,505)
At 31 December 2022	-	-	-	671,291	365,493	444,077	-	1,480,861
Net Book Value								
At 31 December 2022	6,179,970	17,185,754	156,077,344	196	115,249	47,252	8,026,697	187,632,461
Cost/valuation								
At 1 January 2023	6,179,970	17,185,754	156,077,344	671,487	480,742	491,329	8,026,697	189,113,323
Additions	-	-	53,728	-	51,247	2,703	2,420,633	2,528,311
Revaluation surplus	154,499	2,028,189	71,040,518	-	-	-	-	73,223,206
Disposal	-	-	-	-	(18,930)	(725)	-	(19,655)
Reclass	-	-	1,816,234	-	(16,100.85)	-	(1,800,133)	-
Write-off	-	-	-	-	-	-	-	-
At 31 December 2023	6,334,469	19,213,943	228,987,823	671,487	496,958	493,307	8,647,197	264,845,184
Accumulated depreciation								
At 1 January 2023	-	-	-	671,291	365,493	444,077	-	1,480,861
Charge for the year	-	390,101	8,001,467	196	48,971	24,458	-	8,465,194
Revaluation surplus	-	(390,101)	(8,001,467)	-	-	-	-	(8,391,568)
Disposal	-	-	-	-	(16,960)	(725.20)	-	(17,686)
At 31 December 2023	-	-	-	671,487	397,504	467,810	-	1,536,800
Net Book Value								
At 31 December 2023	6,334,469	19,213,943	228,987,823	(0)	99,455	25,497	8,647,197	263,308,384

15 Property, plant and equipment

Company	Land	Building	Plant & Machinery	Motor Vehicle	Computer Equipment	Office Equipment	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation								
At 1 January 2022	2,041,333	8,908,540	145,424,878	682,669	344,185	483,745	9,144,522	167,029,872
Additions	-	4,387	762,335	-	65,831	7,584	1,608,376	2,448,513
Revaluation surplus	4,138,637	6,670,667	8,839,281	-	-	-	-	19,648,585
Disposal	-	-	-	(11,183)	(2,861)	-	-	(14,044)
Reclass	-	1,602,160	1,050,849	-	69,138	-	(2,722,147)	-
Write-off	-	-	-	-	-	-	(4,055)	(4,055)
At 31 December 2022	6,179,970	17,185,754	156,077,344	671,487	476,292	491,329	8,026,697	189,108,873
Accumulated depreciation								
At 1 January 2022	-	569,462	13,878,805	560,210	314,618	413,099	-	15,736,194
Charge for the year	-	258,686	6,790,527	122,264	48,748	30,978	-	7,251,203
Revaluation surplus	-	(828,148)	(20,669,332)	-	-	-	-	(21,497,480)
Disposal	-	-	-	(11,182)	(2,322)	-	-	(13,505)
At 31 December 2022	-	-	-	671,292	361,044	444,077	-	1,476,412
Net Book Value								
At 31 December 2022	6,179,970	17,185,754	156,077,344	195	115,248	47,252	8,026,697	187,632,460
Cost/valuation								
At 1 January 2023	6,179,970	17,185,754	156,077,344	671,487	476,292	491,329	8,026,697	189,108,873
Additions	-	-	53,728	-	51,247	2,703	2,420,633	2,528,311
Revaluation surplus	154,499	2,028,189	71,040,518	-	-	-	-	73,223,206
Disposal	-	-	-	-	(18,930)	(725)	-	(19,655)
Reclass	-	-	1,816,234	-	(16,101)	-	(1,800,133)	-
At 31 December 2023	6,334,469	19,213,943	228,987,823	671,487	492,508	493,307	8,647,197	264,840,734
Accumulated depreciation								
At 1 January 2023	-	-	-	671,292	361,044	444,077	-	1,476,412
Charge for the year	-	390,101	8,001,467	196	48,971	24,458	-	8,465,194
Revaluation surplus	-	(390,101)	(8,001,467)	-	-	-	-	(8,391,568)
Disposal	-	-	-	-	(16,960)	(725)	-	(17,686)
At 31 December 2023	-	-	-	671,487	393,055	467,810	-	1,532,352
Net Book Value								
At 31 December 2023	6,334,469	19,213,943	228,987,823	-	99,454	25,497	8,647,197	263,308,383

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15 Property, plant and equipment (cont'd)

Amount written-off to income statement from Work in Progress represents plant repair and maintenance cost earlier carried as part of Work in Progress.

At the reporting date, the PPE of the business was subjected to impairment test and revaluation exercise and there was no impairment to the PPE of the Company

Revaluation surplus recognised in the year; Land ₦154 million, building ₦2.4 billion and plant & machinery ₦79 billion.

Valuation techniques used in revaluation of investment property, land & building and plant & machinery are disclosed in note 17

Accumulated depreciation on all revalued assets (building) ₦390 million, plant and machinery ₦8 billion) have been `moved into the revaluation surplus for the year

The Company's entire syndicated loan from financial institutions is secured on its PPE and investment property.

16(a) Right of use assets

	GROUP & COMPANY	
	31 Dec 2023	31 Dec 2022
	Building N'000	Building N'000
Asset		
Opening balance	545,311	250,421
Additions during the year	-	294,890
Closing balance	545,311	545,311
Depreciation		
Opening balance	318,310	219,992
Charge for the year (Note 10)	98,297	98,318
Closing balance	416,607	318,310
Net book value	128,704	227,001

16(b) Lease liabilities

Opening balance	202,723	-
Additions	-	294,890
Interest expense (Note 12b)	19,815	21,920
Principal payment in the year	(10,184)	(105,208)
Interest payment in the year	(19,816)	(8,879)
Net book value	192,538	202,723
Current	192,538	102,584
Non-current	-	100,138

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17 Investment property

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cost				
Opening balance	75,161,244	68,339,210	75,161,244	68,339,210
Addition	109,384	281,861	109,384	281,861
Impairment	-	(1,459,854)	-	(1,459,854)
Fair value adjustment (Note 11)	2,315,099	8,000,027	2,315,099	8,000,027
	77,585,727	75,161,244	77,585,727	75,161,244

Investment property is made up of an undeveloped land and a commercial property that is leased out to third parties. The commercial property leased to third parties contains an initial non-cancellable lease year of 3 years. Subsequent renewals are negotiated with the lessee and on average, the renewal years are not less than 2 years. No contingent rents are charged. These properties were transferred from property, plant & equipment to investment property on transition date at its fair value as deemed cost.

As at 31st December 2023, only the existing investment properties were revalued. The additions to investment property during the year (N109million) were not revalued as they consists of capital costs for ongoing renovation of capital structures.

The corresponding amounts of the fair value adjustment have been recognised in other income.

The Company's entire syndicated loan from financial institutions is secured on its PPE and investment property.

Recognised fair value measurement

Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group and company has classified its non-financial assets into the three levels prescribed under the accounting standards. Explanation of each level is also provided below:

		Group & Company			
	Notes	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
At 31 December 2023					
Investment property	17	-	77,585,727	-	77,585,727
Land & buildings			25,548,412		25,548,412
Plant & machinery			228,987,823		228,987,823
Total non-financial assets		-	332,121,962	-	332,121,962
At 31 December 2022					
Investment property	17	-	75,161,244	-	75,161,244
Land & buildings			23,365,724		23,365,724
Plant & machinery			156,077,344		156,077,344
Total non-financial assets		-	254,604,311	-	254,604,311

There were no transfers in and out of fair value hierarchy levels as at the end of the reporting years.

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17 Investment property (cont'd)

An analysis of the hierarchy levels has been presented below:

Level 1: The fair value of identical assets traded in active markets (such as publicly traded assets) is based on quoted market prices at the end of the reporting year. The quoted market price used for assets held by the group is the current bid price. These assets are included in level 1.

Level 2: The fair value of identical assets that are not traded in active markets and determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an asset are observable, the instrument is included in level 2. (for example,

Level 3: If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine level 2 fair value

The Group obtains independent valuations for its investment properties at least annually and for its land & buildings and plant & machinery (classified as property, plant and equipment) at least every three years. The valuation is based on market value using the depreciated replacement cost method (DRC) of valuation. DRC is the current cost of replacing an asset with its modern equivalent asset, taking into account the deductions for physical deterioration and all relevant forms of obsolescence and optimization

At the end of each reporting year, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 2.

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17 Investment property (cont'd)

Fair value measurements using significant observable inputs (level 2)

The following table presents the changes in level 2 items for the years ended 31 December 2022 and 31 December 2023 for recurring fair value measurements:

Group and Company	Land & buildings N'000	Plant & machinery N'000	Investment property N'000	Total N'000
Opening balance 1 January 2022	10,380,411	131,546,073	68,339,210	210,265,694
Additions	4,387	762,335	281,861	1,048,583
Amounts recognised in profit or loss:				
Depreciation and impairment	569,462	13,878,805	(1,459,854)	12,988,412
Gains recognised in other income	-	-	8,000,027	8,000,027
Reclassification	1,602,160	1,050,849	-	2,653,009
Revaluation surplus	10,809,304	8,839,281	-	19,648,585
Transfer to Investment Property	-	-	-	-
Closing balance 31 December 2022	23,365,724	156,077,344	75,161,244	254,604,311
Opening balance 1 January 2023	23,365,724	156,077,344	75,161,244	254,604,311
Additions	-	53,728	109,384	163,112
Amounts recognised in profit or loss:				
Depreciation and impairment	-	-	-	-
Gains recognised in other income	-	-	2,315,099	2,315,099
Reclassification	-	1,816,234	-	1,816,234
Revaluation surplus	2,182,688	71,040,518	-	73,223,206
Transfer to Investment Property	-	-	-	-
Closing balance 31 December 2023	25,548,412	228,987,823	77,585,727	332,121,961

Valuation processes

The Group's Land & Building and Plant & Machinery were valued at 30 September 2016, 30 September 2019, 31 December 2022 and 31 December 2023, while investment properties were valued at each year end by independent professionally qualified valuers, Knight Frank (FRC/2013/000000000584), who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the assets valued. For all assets valued, their current use equates to the highest and best use. ESV. Sunny Akpodiogaga (FRC/2013/NIESV/00000000655) undertook and signed for Knight Frank on this engagement. The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC, the valuation team and the independent valuers at every reporting year.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report (inflation, interest rate and real estate outlook for 2023);
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with the independent valuer.

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18 Inventories	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Raw materials	1,961,245	3,648,948	1,961,245	3,648,948
Finished goods	941,552	206,499	941,553	206,499
Spare parts inventories	5,272,920	5,877,091	5,272,920	5,832,567
	<u>8,175,717</u>	<u>9,732,538</u>	<u>8,175,718</u>	<u>9,688,014</u>

The cost of inventories included in cost of sales for the year ended 31 December 2023 is N10.6 billion (2022: N11.5 billion). There was no impairment of inventory in the year.

19a Trade and other receivables	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Financial instruments				
Trade receivables	-	-	-	-
Less: Impairment of trade receivables	-	-	-	-
Net trade receivables	-	-	-	-
Employee receivables	729	9,457	729	9,457
Other receivables	4,000	4,000	4,000	4,000
	<u>4,729</u>	<u>13,457</u>	<u>4,729</u>	<u>13,457</u>
Non-financial instruments				
Advances to prepaid suppliers	926,533	840,005	926,533	832,880
Prepayments	27,927	12,471	27,927	8,958
Withholding tax receivables	145,760	316,619	145,760	316,619
Other receivables	1,201,139	668,665	1,201,139	668,665
Amount due from related party (Note 27b)	-	-	900,288	1,024,456
Total	<u>2,301,359</u>	<u>1,837,760</u>	<u>3,201,647</u>	<u>2,851,578</u>
Total trade and other receivables	<u>2,306,088</u>	<u>1,851,217</u>	<u>3,206,376</u>	<u>2,865,035</u>

The trade receivable is not interest bearing. For receivables that are classified as 'current' due to their short-term maturities, the fair value approximates their carrying values.

All trade and other receivables are current.

19b EEG Receivable	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Opening balance	4,036,546	4,540,129	4,036,546	4,540,129
Addition	-	-	-	-
Impairment	-	(503,583)	-	(503,583)
Settlement	(2,965,901)	-	(2,965,901)	-
Discounting fees	(1,070,645)	-	(1,070,645)	-
Closing balance	<u>-</u>	<u>4,036,546</u>	<u>-</u>	<u>4,036,546</u>

Export Expansion Grant Receivables and Negotiable Duty Credit Certificates has been settled through the issuance of Promissory Notes by the Debt Management Office of the Federal Government of Nigeria.

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20 Cash and cash equivalents	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cash at bank and in hand (excluding overdrafts)	947,211	570,161	771,805	462,672
Cash and cash equivalents (excluding overdrafts)	<u>947,211</u>	<u>570,161</u>	<u>771,805</u>	<u>462,672</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Cash and cash equivalents (excluding overdrafts)	947,211	570,161	771,805	462,672
Bank overdrafts (Note 25)	(6,136,051)	(1,677,071)	(6,136,051)	(1,677,071)
Cash and cash equivalents (including overdrafts)	<u>(5,188,840)</u>	<u>(1,106,910)</u>	<u>(5,364,246)</u>	<u>(1,214,399)</u>

21 Share capital	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Authorised: 2022: 4 billion (2021: 4 billion) ordinary shares of 50 Kobo each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid: 1.61 billion ordinary shares of 50 Kobo each	<u>806,033</u>	<u>806,033</u>	<u>806,033</u>	<u>806,033</u>

Steps have been taken to address the non-compliance on the unissued share capital. The Company has identified a suitable investor and obtained approval from the Board of Directors to proceed with the equity raise. The equity raise will result in share issuance which would address the non-compliance on unissued shares as required by CAMA 2020. Detailed disclosure of the equity capital infusion is included in note 30.

22 Accumulated losses	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Opening balance	(38,928,013)	(34,816,713)	(38,202,883)	(34,406,142)
Loss for the year	(114,251,289)	(7,162,950)	(114,251,289)	(6,848,391)
Remeasurements of post employment benefit liabilities net of tax	63,491	(139,112)	63,491	(139,112)
Revaluation surplus realised for the year	4,553,561	3,190,762	4,553,561	3,190,762
Closing balance	<u>(148,562,250)</u>	<u>(38,928,013)</u>	<u>(147,837,120)</u>	<u>(38,202,883)</u>

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23 Employee benefit obligations

Defined benefit scheme

The table below outlines where the Company's post-employment amounts and activity are included in the financial statements:

	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Balance sheet obligations for:		
Post-employment benefit	2,166,867	2,048,125
Liability in the balance sheet	2,166,867	2,048,125
Income statement charge included in employee benefits expense for:		
Key management compensation (27c)	40,714	40,714
Employee cost (10c)	520,619	414,279
	561,333	454,993
Remeasurements for:		
Change in financial assumption and experience adjustment	(63,491)	198,732
	(63,491)	198,732

The Group operates a gratuity scheme whereby at the time of leaving the service or retirement from the Group, an employee is paid gratuity. The plan provides a retirement benefit of 15% of gross annual salary for each year of service for staff with 5 and above years of service. Responsibility for governance of the plans – including investment decisions and contribution schedules – lies with the Group.

The provision for gratuity was based on independent actuarial valuation performed by independent actuaries (Ernst & Young: Miller Kingsley FRC/2012/NAS/0000002392) using the projected unit credit method. The Group maintains an asset account with a fund manager for funding of the obligations as they fall due. As at 31 December 2023, fair value of the plan asset stood at N38 million (31 December 2022: N34 million).

The amounts recognised in the statement of financial position are determined as follows:

	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Present value of obligations (funded)	2,205,488	2,082,441
Fair value of plan assets	(38,621)	(34,316)
Deficit of funded plan	2,166,867	2,048,125

The Reconciliation of Change in Plan Assets over the year is as follows:

	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Balance at the beginning of the year	34,316	10,004
Interest Income on Plan Assets	4,305	24,312
Balance at the end of the year	38,621	34,316

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23 Employee benefit obligations (cont'd)

The movement in the defined benefit obligation over the year is as follows:

	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Balance at the beginning of the year	2,082,441	1,860,650
Charge during the year:		
Current service cost	301,239	243,594
Interest cost	260,094	211,399
	561,333	454,993
	2,643,774	2,315,643
Remeasurements:		
Actuarial losses/(gains) - change in financial assumption	151,491	(23,079)
Actuarial losses/(gains) - experience adjustment	(214,982)	221,811
Total	(63,491)	198,732
Payments from plans:		
Benefits paid by the employer	(374,795)	(431,934)
Total	(374,795)	(431,934)
Balance at the end of the year	2,205,488	2,082,441

Asset mix:

	Group & Company			
	31 Dec 2023		31 Dec 2022	
	N'000	%	N'000	%
Call placement	143	0.37	277	0.81
Treasury bills	-	-	-	-
Local currency sovereign bonds	-	-	-	-
Local currency corporate bonds	-	-	-	-
Fixed deposits and commercial papers	38,478	99.63	34,039	99.19
	38,621	100	34,316	100

The maturity profiles of future benefits payment is as follows:

Year	Group & Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
2024	345,792	311,637
2025	228,715	265,426
2026	385,653	145,325
2027	669,817	337,595
2028 – 2032	3,074,842	3,253,954

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23 Employee benefit obligations (cont'd)

The significant actuarial assumptions were as follows:

	Group & Company	
	31 Dec 2023	31 Dec 2022
Discount rate (p.a.)	14.5%	13.5%
Future average pay increase (p.a.)	15.0%	13.0%
Average rate of inflation (p.a.)	14.5%	13.0%
Expected Return on Plan Assets (p.a.)	14.5%	13.5%
Interest credit (p.a.)	0.0%	0.0%

The sensitivity analysis on the accrued liability as at 31 December 2023 is as follows:

Group & Company		Accrued liability N'000
Base		2,205,488
Discount rate	+1%	2,094,502
Discount rate	-1%	2,328,014
Salary increase rate	+1%	2,267,058
Salary decrease rate	-1%	2,148,482
Mortality experience	Improved by 1 year	2,208,028
Mortality experience	Worsened by 1 year	2,203,193

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

24 Defined contribution scheme

The Group also makes provision in respect of defined contribution scheme as stipulated by Nigerian Pension Reform Act. The employer contribution expensed for the year ended 31 December 2023 was ₦313 million (31 December 2022: ₦364 million) while the employee contribution is included in salaries and wages amount - Note 10c

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening Balance	208,178	811,580	208,178	811,580
Addition:	-	-	-	-
Employer's Contribution	313,125	364,862	313,125	364,862
Employees' Contribution	252,100	222,184	252,100	222,184
Payment	-	(1,190,448)	-	(1,190,448)
Closing Balance	773,404	208,178	773,404	208,178

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25a Borrowings

Non-current

Bank borrowings

Total non-current borrowings

Current

Bank overdrafts (Note 21)

Bank borrowings

Total current borrowings

Total borrowings (non-current & current)

Non-current

Bank borrowings

Total non-current borrowings

Current

Bank overdrafts (Note 21)

Bank borrowings

Total current borrowings

Total borrowings (non-current & current)

Movement in borrowings (excluding overdraft) is represented as follows:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Opening balance	140,703,064	124,279,472	140,703,064	124,279,472
Additions to borrowings	-	20,397,504	-	20,397,504
Changes in refinancing of past due obligations*	(5,744,477)	-	(5,744,477)	-
Effective interest	23,434,894	19,156,471	23,434,894	19,156,471
Exchange difference on borrowings	67,685,223	4,080,311	67,685,223	4,080,311
Interest paid	(669,173)	(15,574,790)	(669,173)	(15,574,790)
Repayments	(2,900,439)	(11,635,905)	(2,900,439)	(11,635,905)
Closing balance	222,509,092	140,703,064	222,509,092	140,703,064

*Changes in refinancing of past due obligations represent reduction in loan balance due to reconciliation of past due obligations with the banks' position as at year end.

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25a Borrowings (cont'd)

Bank borrowings are categorised as follows

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Bank of Industry (BoI) borrowings	10,151,903	10,439,007	10,151,903	10,439,007
Other bank borrowings	212,357,189	130,264,057	212,357,189	130,264,057
	<u>222,509,092</u>	<u>140,703,064</u>	<u>222,509,092</u>	<u>140,703,064</u>

The bank borrowings are secured over the assets of the Group and as at the reporting date there are no undrawn borrowing lines.

Outstanding borrowings at year end is made up of:

- i. BOI-CBN intervention (1st tranche) loan balance of ₦0.41 billion out of which ₦0.14 billion is repayable within one year and ₦0.27 billion is repayable after one year. The duration of the loan is 78 months and the annual interest rate is 7%. The last repayment date of the facility is 30 June 2025.
- ii. BOI-CBN intervention (2nd tranche) loan balance of ₦3.85 billion out of which ₦2.21 billion is repayable within one year and ₦1.64 billion is repayable after one year. The duration of the facility is 112 months and the annual interest rate is 7%. The last repayment date of the facility is 30 December 2027.
- iii. BOI-CBN intervention (3rd tranche) loan balance of ₦2.75 billion out of which ₦1.32 billion is repayable within one year and ₦1.43 billion is repayable after one year. The duration of the facility is 158 months and the annual interest rate is 7%. The last repayment date of the facility is 30 September 2027.
- iv. Other NGN term loans balance of ₦69.62 billion out of which ₦9.79 billion is repayable within one year and ₦59.83 billion is repayable after one year. The duration of the loan is 120 months and the annual interest rate is 23%. The last repayment date of the facility is 30 June 2032.
- v. Afrexim USD term loans balance of \$19.51 million (₦18.57 billion) out of which \$6.62 million (₦6.30 billion) is repayable within one year and \$12.89 million (₦12.27 billion) is repayable after one year. The duration of the loan is 84 months and the annual interest rate is 10.9%. The last repayment date of the facilities is 31 December 2026.
- vi. USD term loans balance of \$104.43 million (₦99.40 billion) out of which \$12.75 million (₦12.13 billion) is repayable within one year and \$91.68 million (₦87.26 billion) is repayable after one year. The duration of the loan is 120 months and the annual interest rate is 17.36%. The last repayment date of the facilities is 30 June 2032.
- vii. Other short term loan balances totalling ₦3.21 billion and past due obligations on structured loans ₦7.86 billion are repayable within one year and with various applicable interest rate (18% to 20%).
- viii. All covenants included in the loan agreements have all been complied with.

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25b Grant liability

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Non-current	552,922	1,270,430	552,922	1,270,430
Current	717,508	717,508	717,508	717,508
Total grant liability	<u>1,270,430</u>	<u>1,987,938</u>	<u>1,270,430</u>	<u>1,987,938</u>

Movement in grant liability is presented as follows:

At 1 January	1,987,938	3,792,313	1,987,938	3,792,313
Grant income recognised in profit or loss (Note 11)	(717,509)	(977,883)	(717,509)	(977,883)
Modification gain	-	(826,492)	-	(826,492)
Closing balance	<u>1,270,429</u>	<u>1,987,938</u>	<u>1,270,429</u>	<u>1,987,938</u>

The grant liability arose from benefits from Bank of Industry (BoI) borrowing at below market rate of interest.

26 Trade and other payables

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Current				
Financial Instrument				
Trade payables	25,983,904	9,505,856	25,983,904	9,466,995
Accrued expenses	6,149,730	2,785,682	6,149,730	2,785,682
Pension fund contribution	773,404	208,178	773,404	208,178
Amounts due to related parties (Note 27b)	<u>20,893,477</u>	<u>20,701,644</u>	<u>20,943,477</u>	<u>21,068,834</u>
	<u>53,800,515</u>	<u>33,201,360</u>	<u>53,850,515</u>	<u>33,529,689</u>
Non-financial instruments				
Accrued expenses	4,807,310	2,108,223	4,807,317	1,966,823
Contract liabilities	16,276,905	19,317,994	16,276,905	19,317,994
	<u>21,084,215</u>	<u>21,426,217</u>	<u>21,084,222</u>	<u>21,284,817</u>
Total trade and other payables	<u>74,884,730</u>	<u>54,627,577</u>	<u>74,934,737</u>	<u>54,814,506</u>

27 Related party transactions

Notore Chemical Industries (Mauritius) Limited

Notore Chemical Industries (Mauritius) Limited is the ultimate parent of Notore Chemical Industries Plc. Notore Chemical Industries (Mauritius) Limited, the subsidiaries, Directors, close family members of the Directors and any employee who is able to exert significant influence on the operating policies of the Group are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

As at 31 December 2023, Notore Chemical Industries (Mauritius) Limited owned 76.55% of the issued share capital of the company. Notore Chemical Industries (Mauritius) Limited, its subsidiaries, directors, close family members of the directors and any employee who is able to exert significant influence on the operating policies of the group are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

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27 Related party transactions (cont'd)**Transactions with related parties**

Transactions with related parties are mainly in relation to supply of services, the exchange of goods, the provision and utilisation of financial resources, with other Notore subsidiaries or associated companies. These transactions are an integral part of the ordinary course of its business. All transactions were carried out for the mutual benefit of the parties involved. The transactions during the year and year end balances with related parties are shown below:

(a) Transactions with related parties:

	Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Purchase of goods from related parties		
Purchase of goods from Eroton Exploration and Production Company Limited	1,325,183	6,593,898
Payments to related parties		
Payments to Notore Supply and Trading Mauritius Limited	-	-
Payments to Eroton Exploration and Production Company Limited	672,345	3,282,806
	<u>672,345</u>	<u>3,282,806</u>

**(b) Amount due to related parties:
Particulars:**

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Notore Supply and Trading Mauritius Limited	-	-	(10,000)	(10,000)
Notore Power & Infrastructure Limited	-	-	-	(317,190)
Notore Foods Limited	-	-	(10,000)	(10,000)
Notore Seeds Limited	-	-	(10,000)	(10,000)
Notore Industrial City Limited	-	-	(10,000)	(10,000)
Notore Train II Limited	-	-	(10,000)	(10,000)
Eroton Exploration and Production Company Limited	(20,893,477)	(20,701,644)	(20,893,477)	(20,701,644)
	<u>(20,893,477)</u>	<u>(20,701,644)</u>	<u>(20,943,477)</u>	<u>(21,068,834)</u>

Amount due from related parties:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Notore Power and Infrastructure Limited	-	-	900,288	1,024,456

The payables to related parties arise mainly from supply of services and are due two months after the date of purchase. The payables bear no interest.

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27 Related party transactions (cont'd)**(c) Key management compensation**

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Salaries and other emoluments	287,984	294,770	287,984	294,770
Pension	27,143	27,143	27,143	27,143
Gratuity charge (Note 24)	40,714	40,714	40,714	40,714
	<u>355,841</u>	<u>362,627</u>	<u>355,841</u>	<u>362,627</u>

Directors' remuneration (including pension contributions) for directors of the Company charged to the profit and loss account are as follows:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Fees for services as directors	2,697,507	409,068	2,697,507	409,068
Other emoluments as management	355,841	362,627	355,841	362,627
	<u>3,053,348</u>	<u>771,695</u>	<u>3,053,348</u>	<u>771,695</u>

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Chairman	65,916	32,366	65,916	32,366
The highest paid director	180,402	183,842	180,402	183,842

The number of directors (excluding the chairman) whose remuneration fell within the following ranges were:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N	N	N	N
Above 50,000,000	10	2	10	2
Below 50,000,000	2	10	2	10
	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

i Employee costs during the year comprise:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000
Salaries and wages	3,218,862	3,570,925	3,218,862	3,357,237
Other employee benefits	1,631,038	274,414	1,631,038	274,414
Termination benefits	(1,146)	16,953	(1,146)	16,953
Employer's pension contribution - defined contributions	285,983	337,719	285,983	337,719
Gratuity charge (Note 10c)	520,619	414,279	520,619	414,279
	<u>5,655,356</u>	<u>4,614,290</u>	<u>5,655,356</u>	<u>4,400,602</u>

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27 Related party transactions (cont'd)

ii The average number of full-time persons employed during the year (other than executive directors) was as follows:

	Group		Company	
	Number		Number	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Administration	144	241	144	241
Technical and production	268	271	268	271
Sales and marketing	29	35	29	35
	<u>441</u>	<u>547</u>	<u>441</u>	<u>547</u>

iii Higher-paid employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	N	N	Group		Company	
			Number		Number	
			31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Above	10,500,000		56	81	56	81
9,000,001	10,500,000		14	18	14	18
7,500,001	9,000,000		43	47	43	47
6,500,001	7,500,000		27	31	27	31
5,000,001	6,500,000		30	33	30	33
3,500,001	5,000,000		79	97	79	97
2,000,001	3,500,000		192	229	192	229
500,000	2,000,000		0	10	0	10
Below	500,000		0	1	0	1
			<u>441</u>	<u>547</u>	<u>441</u>	<u>547</u>

28 Contingent assets and contingent liabilities

As at 31st December, 2023 Notore had a total of 19 civil suits pending at various jurisdictions of courts within Nigeria with total CONTINGENT LIABILITIES of NGN428,579,704,737.40; \$11,164,313.89 and £286,658 respectively as well as total CONTINGENT ASSET of NGN1,589,532,935.30 and USD1,082,153.91 respectively.

The Contingent Liability in Naira as at 31st December 2022 was NGN410,344,550,286.00, but this has increased to NGN428,579,704,737.40 as at 31st December 2023 due to the new suits and appeals that were commenced against Notore in various courts.

Summary of the Pending 19 Civil Suits as at 31st December 2023

Notore is an Appellant in 5 appeals
(as Sole Appellant) = 4
(as Co Appellant) = 1

Notore is a Respondent in 3 appeals
(as Sole Respondent) = 1
(as Co Respondent) = 2

Notore is a Claimant in 1 suit
(as Sole Claimant) = 1
(as Co Claimant) = 0

Notore is a Defendant in 10 suits
(as Sole Defendant) = 5
(as Co Defendant) = 5

The Directors of the Company believe, based on legal advice that no significant loss will eventuate on the part of the Company from all these suits. Therefore no provision has been made in the accounts for these claims.

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29 Investments in subsidiaries

Principal subsidiaries

The Group had the following subsidiaries as at 31 December 2023

Name	Investment Amount	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by group	Proportion of ordinary shares held by non-controlling interests
	N'000			%	%	%
Notore Supply and Trading Mauritius Limited	255	Mauritius	Sale of fertilizers and other chemical products	100.00	100.00	-
Notore Supply and Trading Limited BVI*	-	British Virgin Islands	Power generation, distribution and sale	100.00	100.00	-
Notore Power and Infrastructure Limited*	10,000	Nigeria	Marketing of farm produce	99.99	99.99	0.01
Notore Foods Limited	10,000	Nigeria	Development and marketing of high yield seeds	99.99	99.99	0.01
Notore Seeds Limited	10,000	Nigeria	Development and operating of industrial parks	99.99	99.99	0.01
Notore Industrial City Limited	10,000	Nigeria	Fertiliser and petrochemical production through investment in other fertiliser and petrochemical companies	99.99	99.99	0.01
Notore Train II Limited	<u>10,000</u> <u>50,255</u>	Nigeria		99.99	99.99	0.01

Movement in investment in subsidiaries

	Company	
	31 Dec 2023	31 Dec 2022
	N'000	N'000
Opening balance	50,255	50,255
Increase during the year	-	-
Closing balance	<u>50,255</u>	<u>50,255</u>

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. No pledge was given in respect of these subsidiary balances.

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29 Investments in subsidiaries (Cont'd)

*In February 2014 Notore Supply and Trading Mauritius Limited was incorporated and by 30th September 2014 all assets and operations of Notore Supply and Trading Limited BVI were transferred to it and the latter became inactive on the same date. Also, In October 2020 Notore Supply and Trading Mauritius Limited whose operations is solely dependent on the parent Company became inactive due to a shift in the business strategy of the parent Company.

30 Material Uncertainty Related to Going Concern

The consolidated and separate financial statements are prepared using IFRSs that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they fall due.

The Group and the Company recorded net losses of ₦114.3 billion and ₦114.3 billion (2022: ₦7.2 billion and ₦6.8 billion) respectively, for the year ended 31 December 2023, accumulated losses of ₦148.6 billion and ₦147.8 billion for Group and Company respectively and the net current liabilities as of that date were ₦130.1 billion and ₦129.5 billion (2022: ₦72 billion and ₦71.4 billion) respectively.

In addition to the above financial conditions, the following events exist:

- The timing of the approval of the Securities and Exchange Commission (SEC) to finalise the equity raise process to enable the Company to access the equity funds deposited by the new investor in the escrow account in Providus Bank Limited is uncertain due to procedural delay.
- The Group and the Company's ability to retain its customer base when they become fully operational due to long year of non-production and sales which may negatively impact the recoverability of their market share.
- The continued support of gas suppliers and the finalisation of repayment plans to settle their outstanding payments to mitigate interruption in gas supply.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern so as to be able to realize their assets and discharge their liabilities in the normal course of business.

The Group and the Company has however taken numerous steps with a view to increasing its plant production capacity output, operational stability, improve working capital and return to profitability. The Directors have taken the following key steps:

Equity Capital Injection

The Company over the past few months explored various equity raise options and finally settled on additional capital injection through an offer for subscription. After careful consideration and evaluation, the company identified a suitable investor and obtained approval from the Board of Directors to proceed with the equity raise. An Emergency General Meeting of Shareholders was convened, and approval was granted to move forward with the equity raise and have submitted our request for approval to both the Security and Exchange Commission and Federal Competition and Consumer Protection Commission. The expectation is to finalize the equity raise by 30th April 2024.

The funds raised (₦105.8 billion) will be utilised for the following purposes: bank debt repayment and restructuring, plant-related capital expenditure, purchase of critical spares, and other company sundry liabilities. We believe that this capital injection will not only enhance our ability to seize market opportunities but also contribute to the overall growth and long-term stability of the company and establish a foundation for future expansion.

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30 Material Uncertainty Related to Going Concern (cont'd)

The Group and Company is aware that capital injection will not be sufficient to cushion the total debt exposure. In addition to the capital injection through equity raise, and the intended continuous support of the new investor, the following steps have been taken to improve the cash flows generation:

Purchase of Spares and Minor plant repairs

The company's major challenge regarding production capacity is the unavailability of sufficient spare parts that would significantly reduce downtime. The plan is to begin purchasing spare parts as funds are transferred from the escrow account to the company. We expect production capacity and uptime to be bumped up to at least 90% on completion. The company aims to reduce shutdown years and enhance production output by investing in equipment and spares, leading to increased cash flows. The additional cash flow from improved production volumes will lead to immediate increases in cash flow, ensuring timely payment of obligations.

Exchange Rate Hedge

Given that some of the bank debt is in US dollars, the strategy is to channel a larger portion of production to the export market. This will ensure that maturity foreign currency loans are paid when due. We are also exploring options with the banks to convert foreign currency debt to local currency. This approach will effectively manage currency risks. We already have off-take agreements with two international buyers and expect to sell about 95,000MT to the export market this year. At current prices, that translates to revenue of over \$30 million.

Debt Restructuring

Additionally, we have engaged our lenders on debt restructuring and are already working on extending loan tenor and thereby reducing monthly repayment amounts to better align with our expected cashflows.

We firmly believe that these actions demonstrate proactive measures to strengthen the Group and Company's financial position and manage its working capital effectively.

To forestall further occurrences, the business-initiated discussions with various gas suppliers and the new operators of the OML-18 JV. An agreement has been reached with the JV partners on the terms of the Gas Supply Agreement (GSA), which is scheduled to be executed and signed in the coming weeks. These actions are anticipated to improve stability in the upcoming financial year and beyond.

The Directors believe that upon the implementation of the above-mentioned measures, the company would return to profitability and settle its obligations as they fall due and consider it appropriate to prepare the consolidated financial statement of both the Group and the Company based on the accounting policies applicable to a going concern.

31 Events after the statement of financial position date

The company over the past few months explored various equity raise options and finally settled on additional capital injection through an offer for subscription. After careful consideration and evaluation, the company identified a suitable investor and obtained approval from the Board of Directors to proceed with the equity raise. An Emergency General Meeting of Shareholders was convened on 26th January 2024, and approval was granted to move forward with the equity raise of ₦105.7 billion. The expectation is to finalize the equity raise by 30th April 2024. There are no other significant events, which could have had a material effect on the state of affairs of the Group and the Company as at 31 December 2023 that have not been adequately provided for or disclosed in these financial statements.

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32 Non-audit services

Our external Audit Firm Messrs. Deloitte & Touche was appointed at the Annual General Meeting held on 25th June 2021. For the year under review, non-audit services (₦15 million) was provided by Deloitte to the Company in the review of internal control over financial reporting report prepared by PriceWaterHouseCoopers.

33 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Notore Chemical Industries Plc has in place the necessary policy to guide its Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Company has also made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the Policy during the year under review.

34 Shareholder pattern and freefloat information

Notore prepares interim financial statements for publication and submission to the Securities and Exchange Commission (SEC) and Nigeria Stock Exchange (NSE) on a quarterly basis.

Also, in accordance with the requirements of Rule 2.0 of the Free Float Rules on Self-Assessment and Self-Regulation as issued by the NSE, the shareholding pattern of Notore is shown below;

Shareholding Analysis

The shareholding pattern of the Company as at 31 December 2023 is as stated below:

Share Range	Number Of Shareholders	Number Of Holdings
1	10,000	672
10,001	50,000	4
100,001	500,000	1
500,001	1,000,000	2
1,000,001	5,000,000	3
10,000,001	50,000,000	2
50,000,001	100,000,000	2
100,000,001	500,000,000	1
1,000,000,001	2,000,000,000	1
TOTAL :-	668	1,612,066,200

Shareholding Structure / Free float Status

Shareholders	No. of ordinary shares	% holding
i Substantial shareholdings	1,363,685,398	84.59%
ii Directors shareholdings	34,334,830	2.13%
iii Other influential shareholdings	200,049,625	12.41%
Free float	13,996,347	0.87%
	1,612,066,200	100.00%
i Substantial shareholdings		
Notore Chemical Industries [Mauritius] Limited	1,234,055,768	76.55%
TY Holdings Limited	129,629,630	8.04%
	1,363,685,398	84.59%

NOTORE CHEMICAL INDUSTRIES PLC
Annual report, consolidated and separate financial statements
For the year ended 31 December 2023

Notes to the annual, consolidated and separate financial statements

34 Shareholder pattern and freefloat information (Cont'd)

ii Directors shareholdings		
Engr. Mike Orugbo, JP(Direct)	34,333,330	2.13%
Mr. Mike Osime(Indirect)	1,500	0.00%
	34,334,830	2.13%
iii Other influential shareholdings		
African Finance Corporation	77,265,575	4.79%
FBN Capital Ltd	74,425,630	4.62%
Employee Stock Option [ESOP] Stanbic IBTC	48,358,420	3.00%
	200,049,625	12.41%

Declaration

- (A) Notore Chemical Industries Plc with a free float percentage of 0.87% as at 31 December 2023, is working to comply with the Exchange's free float requirements for companies listed on the Main Board.
- (B) Notore Chemical Industries Plc with a free float value of ₦104,972,602.50 as at 31 December 2023, is working to comply with the Exchange's free float requirements for companies listed on the Main Board.

However, the Company has secured an approval from NGX regulation limited for two (2) years extension of time for the Company to comply with the Nigerian Exchange Limited's(NGX) free float requirement of 20% of issued share capital or twenty billion naira for companies listed on its main board. Consequently, the Company has until December 2025 to achieve compliance with NGX's free float requirement.

NOTORE CHEMICAL INDUSTRIES PLC
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For the year ended 31 December 2023

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Consolidated and separate statements of value added
(All amounts are in thousands of Naira, unless otherwise stated)

	GROUP		GROUP		COMPANY		COMPANY	
	2023	%	2022	%	2023	%	2022	%
Turnover	21,545,162		32,304,988		21,545,162		32,226,698	
Other income	3,458,206		13,591,933		3,458,206		13,591,933	
Less bought in goods and services								
- Local	(32,873,359)		(25,839,870)		(32,873,359)		(25,660,837)	
- Foreign	(23,027)		(18,101)		(23,027)		(17,975)	
Value created	(7,893,018)	100	20,038,950	100	(7,893,018)	100	20,139,819	100
Applied as follows;								
Salaries, wages and other benefits	6,678,886	(85)	5,564,367	28	6,678,886	(85)	5,350,678	27
Finance cost - net	91,139,803	(1,155)	23,258,551	116	91,139,803	(1,155)	23,258,551	115
Taxation	74,388	(0.9)	189,093	1	74,388	(0.9)	189,093.02	1
Deferred tax	-	-	(9,061,315)	(45)	-	-	(9,061,315)	(45)
Depreciation property, plant and equipment	8,465,194	(107)	7,251,204	36	8,465,194	(107)	7,251,203	36
Loss for the year	(114,251,289)	1,447	(7,162,950)	(36)	(114,251,289)	1,447	(6,848,391)	(34)
Value created	(7,893,018)	100	20,038,950	100	(7,893,018)	100	20,139,819	100

Note: Statement of value added is not a required disclosure under IFRS.

OTHER NATIONAL DISCLOSURES

NOTORE CHEMICAL INDUSTRIES PLC
Annual report, consolidated and separate financial statements
For the year ended 31 December 2023

Five-year financial summary - group
As at 31 December 2023

(All amounts are in thousands of Naira, unless otherwise stated)

	31 Dec 2023	31 Dec 2022	31 Dec 2021	30 Sept 2020	30 Sept 2019
Total assets					
Non-current assets	341,022,815	263,020,706	219,663,320	198,617,529	184,294,498
Current assets	11,429,016	16,190,461	18,956,479	22,143,416	12,286,266
	352,451,831	279,211,167	238,619,799	220,760,945	196,580,764
Total equity and liabilities					
Ordinary shares	806,033	806,033	806,033	806,033	806,033
Share premium	27,995,916	27,995,916	27,995,916	27,995,916	27,995,916
Foreign currency translation reserve	-	-	-	544,995	517,374
Asset revaluation reserves	163,646,145	86,584,932	60,124,144	63,961,570	67,228,176
Accumulated loss	(148,562,250)	(38,928,014)	(34,816,713)	(29,125,437)	(25,898,532)
Treasury shares	(1,080,831)	(1,080,831)	(1,080,831)	(1,080,831)	(1,080,831)
Non-current liabilities	168,071,568	115,552,598	84,438,334	105,562,620	77,698,582
Current liabilities	141,575,250	88,280,533	101,152,916	52,096,079	49,314,046
	352,451,831	279,211,167	238,619,799	220,760,945	196,580,764
REVENUE AND PROFIT					
	31 Dec 2023	31 Dec 2022	31 Dec 2021	30 Sept 2020	30 Sept 2019
Turnover	21,545,162	32,304,988	25,706,264	18,799,043	21,418,883
Loss before taxation	(114,176,901)	(16,035,172)	(19,738,664)	(13,922,574)	(10,250,474)
Taxation	(74,388)	8,872,222	10,162,622	7,525,938	4,499,883
(Loss)/profit after taxation	(114,251,289)	(7,162,950)	(9,576,042)	(6,396,636)	(5,750,591)
PER ORDINARY SHARE					
Basic Earnings per share (Naira)	(70.87)	(4.44)	(5.94)	(3.97)	(3.57)

Note: Five year financial summary is not a required disclosure under IFRS.

NOTORE CHEMICAL INDUSTRIES PLC
Annual report, consolidated and separate financial statements
For the year ended 31 December 2023

Five-year financial summary - company
As at 31 December 2023

(All amounts are in thousands of Naira, unless otherwise stated)

	31 Dec 2023	31 Dec 2022	31 Dec 2021	30 Sept 2020	30 Sept 2019
Total assets					
Non-current assets	341,073,069	263,070,960	219,713,572	198,667,783	184,344,406
Current assets	12,153,898	17,052,266	19,226,492	22,142,276	12,283,537
	353,226,967	280,123,226	238,940,064	220,810,059	196,627,943
Total equity and liabilities					
Ordinary shares	806,033	806,033	806,033	806,033	806,033
Share premium	27,995,916	27,995,916	27,995,916	27,995,916	27,995,916
Asset revaluation reserves	163,646,145	86,584,932	60,124,144	63,961,570	67,228,176
Accumulated loss	(147,837,120)	(38,202,884)	(34,406,142)	(29,216,926)	(26,008,587)
Treasury shares	(1,080,831)	(1,080,831)	(1,080,831)	(1,080,831)	(1,080,831)
Non-current liabilities	168,071,568	115,552,598	84,438,334	105,562,620	77,698,582
Current liabilities	141,625,257	88,467,462	101,062,610	52,781,677	49,988,654
	353,226,967	280,123,226	238,940,064	220,810,059	196,627,943
REVENUE AND PROFIT					
	31 Dec 2023	31 Dec 2022	31 Dec 2021	30 Sept 2020	30 Sept 2019
Turnover	21,545,162	32,226,698	25,484,427	18,799,043	21,418,883
Loss before taxation	(114,176,901)	(15,720,613)	(19,236,604)	(13,904,008)	(10,184,234)
Taxation	(74,388)	8,872,222	10,162,622	7,525,938	4,499,883
(Loss)/profit after taxation	(114,251,289)	(6,848,391)	(9,073,982)	(6,378,070)	(5,684,351)
PER ORDINARY SHARE					
Basic Earnings per share (Naira)	(70.87)	(4.25)	(5.63)	(3.96)	(3.53)

Note: Five year financial summary is not a required disclosure under IFRS.

BUREAU VERITAS
Certification



NOTORE CHEMICAL INDUSTRIES PLC
NOTORE INDUSTRIAL COMPLEX, ONNE, RIVERS STATE, NIGERIA

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

MANUFACTURING AND DISTRIBUTION OF CHEMICAL FERTILIZERS (AMMONIA, UREA & NPK)

Original cycle start date: **02-MAY-2014**
Expiry date of previous cycle: **14-MAY-2020**
Recertification Audit date: **28-FEB-2021**
Recertification cycle start date: **01-JUN-2020**

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: **14-MAY-2023**

Certificate No. **AFR 21. 00246 ENG** Version: **No.2** Issue date: **10-AUG-2021**
Previous Certificate No. **AFR 20.00119**

Certification body address: **5th Floor, 66 Prescott Street, London E1 8HG, United Kingdom**
Local office: **11 Niger Street, Park View Estate, Ikoyi, Lagos, Nigeria**



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Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: **+234 (0) 8099904340**

Notore

NOTORE CHEMICAL INDUSTRIES PLC
PROXY FORM

I/We

of

being a Member/Members of the above-named Company, hereby appoint (i)

of

or failing whom, appoint (ii)

of

as my/our proxy to act and vote for me/us and on my/our behalf, at the Annual General Meeting ("AGM") of the Company, to be held on Thursday, 22nd August 2024, at 11.00am prompt and at any adjourned meeting thereof in respect of the Resolutions listed below. A Proxy need not be a Member of the Company.

In the case of Joint Shareholders, any one of such Shareholders may complete the form but the names of all such Joint Shareholders must be stated herein.

It is a requirement of the law under the Stamp Duties Act, Cap. S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of Shareholders must be stamped by the Commissioner for Stamp Duties. The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

PROPOSED RESOLUTIONS	FOR	AGAINST	ABSTAIN
A. To lay before members, the Audited Financial Statements of the Company and of the Group for the year ended 31 st December 2023, together with the Reports of the Directors, Auditors and Statutory Audit Committee thereon			
B. To re-appoint Messrs. Deloitte & Touche as the Company's External Auditors			
C. To authorize the Directors of the Company to fix the remuneration of the External Auditors			
D. To ratify the appointment of Mr. Omar Taha as a Non-Executive Director of the Company <ol style="list-style-type: none"> 1. Mr. Thomas Etuh – Non-Executive Director 2. Mr. Henry Imasekha – Non-Executive Director 3. Mr. Femi Edun – Non-Executive Director 4. Mrs. Vivien Shobo – Non-Executive Director 5. Mr. Danjuma Etuh – Executive Director 6. Mr. Theophilus Danjuma – Non-Executive Director 7. Mr. Nelson Attah – Non-Executive Director 8. Mr. Ishaya Danjuma – Non-Executive Director 			
E. To re-elect the following Directors who in accordance with Section 285(2) of the Companies and Allied Matters Act ("CAMA"), 2020 are retiring by rotation, but are eligible and have offered themselves for re-election: <ol style="list-style-type: none"> (i) Mr. Tseyi Hammond (ii) Mr. Ovie Ukiiri (iii) Mr. Bashir Lebada (iv) Mr. Yusufu Pam 			
F. To disclose the Remuneration of Managers in accordance with Section 257 of CAMA			
G. To elect the Shareholders Representatives of the Statutory Audit Committee			

Please indicate with an "X" in the appropriate column how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of August, 2024

Signature of Shareholder: _____

Name of Shareholder: _____

NOTES:

- a. If executed by a corporation, the Proxy should be sealed with the common seal of the corporation.
- b. This Proxy is sent for the convenience of Shareholders who are unable to attend the Meeting.
- c. For the Proxy to be effective, it must be received by the Registrars, **DataMax Registrars Limited, 2C, Gbagada Expressway, by Beko Ransome Kuti Park, Gbagada, Lagos**, not later than forty-eight (48) hours before the time fixed for the Meeting.



Notore

ADMISSION CARD

TO THE TENTH ANNUAL GENERAL MEETING

On Thursday, 22nd August 2024 at 11.00 am


NAME OF SHAREHOLDER

SIGNATURE OF PERSON ATTENDING

NOTE: The Shareholder or his/her proxy must produce this admission card in order to be admitted to the Meeting.

Affix
Current
Passport
Photo

Please write your name at the
back of your passport
photograph



DataMax
DataMax Registrars Limited
RC 645075

2C Gbagada Expressway,
Anthony Oke Bus Stop,
By Beko Ransome Kuti Park,
P.M.B. 10014 Shomolu,
Lagos State.
Tel: 7120008 - 11, 0700DATAMAX
Fax: 01-71200012
Email: datamax@datamaxregistrars.com
www.datamaxregistrars.com

SHAREHOLDER'S DATA UPDATE FORM

Notore Chemical Industries Limited

Date (DD/MM/YYYY) / /

Shareholder Account Number:

Bank Verification Number

Bank Name

*
AUTHORISED SIGNATORY AND STAMP OF BANKERS

* The Bank stamp and signature of the authorised signatory of your bank is required to confirm that the Bank details and signature(s) is/are that of the shareholder(s) or an authorised signatory, before returning to the Registrars.

Bank Account Number

DETAILS OF INVESTORS/SIGNATORY

***Surname/Company's Name:**

***Other Names (Individual Shareholders) :**

***E-mail Address :**

***Mobile (GSM) Phone Numbers :**

***Present Postal Address :**

***City :**

***State :**

CHN (if any)

***Signature**

***Joint Signatory**

Company Seal and Incorporation Number (Corporate Shareholder)

Note: Asterisked boxes must be completed by Shareholders

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NOTORE CHEMICAL INDUSTRIES PLC

ANNUAL REPORT, CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS

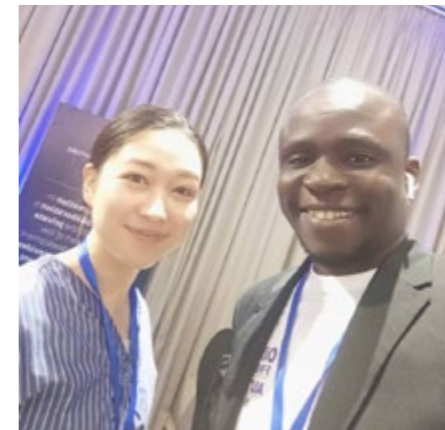
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Gombe Grand Converge and Awards



Industrial Carbon Capture, utilization and Storage Event, 2023



Notore participates in the 10KM Walk organised by Nigerian Naval College, Onne



OGFZA Visit to Notore Plc



World Day for Safety & Health at Work 2023 Tailgate Meeting



Nurturing Talent, Cultivating Leaders

At Notore, we are more than a company—we are a family. The Notore Tribe thrives on leadership, excellence, and teamwork. We are dedicated to integrity, respect, and reliability, ensuring every seed we plant grows into a brighter future. Ready to make a real impact? Join the Notore Tribe today and be a part of something extraordinary!



WORK, LIVE & PLAY

NOTORE INDUSTRIAL CITY

POWERED BY
NOTORE POWER AND INFRASTRUCTURE



Notore Industrial City (NIC) is an integration of 3 zones into one theme "Work, Live, Play", this includes Industrial, Commercial and Residential zones. It is being developed on 560 hectares of land with over 2 km of waterfront and with a water channel that links the Atlantic Ocean through the Bonny river. NIC intends to provide 24/7 operations with a wide range of services and facilities – from cargo handling and inventory management to warehousing, stacking yards, offices, camp accommodation and recreational facilities.



Industrial Services

- Land Lease
- Stacking Yard
- Warehouses
- Logistics Services
- Jetty Access (Import & Export)
- Cargo Handling
- Equipment Hire



Commercial Complex

- Office Spaces
- Meeting Rooms
- Conference Halls
- Workstations
- Virtual Spaces
- Cafeteria
- Lecture & Training Rooms



Residential & Recreational Facilities

- Football Field
- Swimming Pool
- Squash Court
- Lawn Tennis Court
- Basketball Court
- Lounges
- Restaurants



Utilities

- 24hrs Power Supply
- Water and Gas Supply
- Internet Services
- Security
- Janitorial
- Waste Management

Contact Us:

Notore Industrial City

Oil & Gas Free Zone, Onne, Rivers State.

Mobile: +2348053391137

Email: info.npi@notore.com

Website: www.notore.com/our-businesses/power

Our special blends of NPK ensure a bountiful harvest for you.



Notore



Corporate Office

Notore Industrial Complex, Onne, Rivers State

Lagos Office

6th Floor, Keystone Bank Building,
1, Keystone Bank Crescent, Off Adeyemo Alakija Street,
Victoria Island, Lagos

Abuja Office

2nd Floor, The Clan Place
1386 Tigris Crescent,
Maitama, Abuja

**Tel: +234 700-FERTILIZER
+234 700-3378-454-937**

info@notore.com | www.notore.com