



& ANNUAL REPORT ACCOUNTS 2024





Bringing Colour

to Life, One Stroke at a Time



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Corporate Policy Statement



Vision

To be the top paint manufacturing brand in Africa



Mission

To leverage our talented team and advanced manufacturing technology to deliver superior products and satisfaction to our clients



Core Values

Professionalism, Integrity, Innovation, Customer-Focus, Teamwork (PICT).

■ ■ Directors and Professional Advisers, etc.

| | |
|---|---|
| Board of Directors: | Abi Ayida - Chairman Adekunle Olowokande - Non - Executive Director Raj Mangtani (Indian) - Non - Executive Director Ogechi Iheanacho - Non - Executive Director Erejuwa Gbadebo - Independent Non - Executive Director Aisha Umar - Independent Non - Executive Director Alaba Fagun - Group Managing Director |
| Company Secretary/ Legal Adviser | Omolara Bello |
| Registered Office: | 102, Oba Akran Avenue, Ikeja, Industrial Estate, P.M.B. 21052, Ikeja, Lagos. |
| Contact Details | Mobile: +234 810 216 4586 0700BERGERPAINTS [0700237437724687] Email: customercare@bergerpaintnig.com Website: www.bergerpaintsnig.com |
| Social Media Accounts | Facebook: https://www.facebook.com/Bergerpaintsnig LinkedIn: www.linkedin.com/company/berger-paints-nigeria-plc X (formerly Twitter): https://twitter.com/Bergerpaintsnig Instagram: https://www.instagram.com/bergerpaintsnig You Tube: https://www.youtube.com/@bergerpaintsnig |
| Investors Relation | Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: www.bergerpaintsnig.com The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com ; or telephone on: +234 9037757191 for any investment related enquiry. |
| NSE Trading Information | Trading Name: Berger Paints Nig. Plc. (Berger) Ticker Symbol: Berger Sector: Industrial Goods Sub Sector: Building Materials Market Classification: Main Board |
| Registration Number: | RC: 1837 |
| TIN | 01335257-0001 |
| FRC Registration Number: | FRC/2012/0000000000295 |
| Registrars: | Meristem Registrars Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos. P.O. Box 51585, Falomo, Ikoyi, Lagos Tel: 8920491, 8920492, 01-2809250-3 Email: info@meristemregistrars.com Website: www.meristemregistrars.com |
| Independent Auditor: | PKF Professional Services 205A Ikorodu - Ososun Road Obanikoro Lagos. Tel: +234 903 000 1351 |
| Bankers: | <div> Access Bank Plc Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Sterling Bank Plc </div> <div> Keystone Bank Limited Polaris Bank Limited Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc </div> |



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Contact: 08102164842, 08102164586

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Email: customercare@bergerpaintnig.com

Website: www.bergerpaintsnig.com

[f](#) [i](#) [x](#) [v](#) [in](#) @Bergerpaintsnig

Financial Highlights

For the year ended 31 December 2024

| | Group | | | Company | | |
|--|---------------|---------------|----|---------------|---------------|----|
| | 2024 N'000 | 2023 N'000 | % | 2024 N'000 | 2023 N'000 | % |
| Revenue | 10,831,911 | 7,967,546 | 36 | 10,739,502 | 7,910,181 | 36 |
| Gross profit | 3,843,975 | 2,708,169 | 42 | 3,819,776 | 2,696,120 | 42 |
| Operating profit | 1,119,274 | 751,277 | 49 | 1,123,372 | 774,743 | 45 |
| Profit before taxation | 1,128,806 | 776,316 | 45 | 1,132,904 | 799,783 | 42 |
| Profit for the period | 610,862 | 445,330 | 37 | 614,960 | 468,797 | 31 |
| Share capital | 144,912 | 144,912 | - | 144,912 | 144,912 | - |
| Total equity | 3,828,336 | 3,507,934 | 9 | 3,828,336 | 3,531,399 | 8 |
| Data per 50k share | | | | | | |
| Basic earnings per share (kobo) | 211 | 154 | 37 | 212 | 162 | 31 |
| Net assets per share (Naira) | 13 | 12 | 9 | 13 | 12 | 10 |
| Market price per share as at period end (Naira) | 20 | 13 | 54 | 20 | 13 | 54 |
| Market capitalization as at period end | 5,796,469 | 3,767,705 | 54 | 5,796,469 | 3,767,712 | 54 |
| Dividend per 50k share in respect of current period result only | | | | | | |
| Interim Dividend declared (kobo) | | | | 20 | 20 | |
| Final Dividend proposed (kobo) | | | | 100 | 80 | |

* Dividend declared represent dividend proposed for the preceding year but declared during the current year.

** The Directors approved an interim dividend of 20 kobo during the year (2023: 20 kobo) per share on issue share capital of 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each to be ratified by shareholders at the next Annual General Meeting. The dividend has since been paid.

*** The Directors proposed a final dividend of 100 kobo (2023: 80 kobo) per share on the issue share capital of 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each subject to approval by the shareholders at the Annual General Meeting.

Corporate Profile

Berger Paints Nigeria Plc. (BPN) was established on 9th January, 1959 and is a leader in the Nigerian coating and allied industry. The company has been providing quality paints and allied coating solutions to meet the needs of various sectors of the economy.

The Company is reputed to be the first in setting standards in the paints industry in Nigeria. Some of the pioneering activities include:

- First paint manufacturer to be established in Nigeria
- First paint company to be quoted on the Nigerian Stock exchange
- First paint researcher to introduce textured coating named Texcote to the Nigerian market.
- First to develop, manufacture and supply coil-coating paint to aluminum factories in Nigeria
- First paint manufacturer to win NIS Award from SON for premium and market quality decorative products.
- First paint Company to win the Nigerian Stock Exchange Merit Award.
- First to develop and supply Thermo setting acrylic paints to local industries.
- First to win the National Merit award for local raw materials utilization in the paints industry.
- First to develop tropicalized and environment friendly paint products to the Nigerian market.
- First to introduce full process tamper-proof containers to the Nigerian market.

Berger Paints Nigeria Plc., with our brand proposition '**Experience Your World in Colour**' has always placed innovation, integrity, quality of products & services and the provision of a vast product range at the top of its priorities.

Berger Paints Nigeria Plc is keen on research and development which has resulted in us being known for pioneering new products and setting the pace in the paints and allied coating sector. An example of such specialty products is Berger Fire Retardant Texcote, a textured finish which has been very successful and has been adopted as the generic term for textured paint in Nigeria.

Another first of its kind product in the Nigerian market is Berger Ruffhide, a wall putty with superior adhesive strength and capability over other screeding materials. Our other well-known brands such as Luxol and Superstar continue to have their loyal clientele and enjoy extreme popularity across Nigeria today.

We have outlets (Colour World, Colour Mart) strategically positioned across the geo-political zones which have ample supply of BPN products for immediate purchase or supply. These outlets are managed by '**business partners**' with well trained staff, having capability to provide technical evaluation and professional consultation services to corporate and private clientele.

In order to improve customer experience, each Colour World is equipped with ultra-modern colour tinting machines, colour development software and skilled technical personnel with the capability to produce **customized colours** in sizeable quantities personalized to meet the unique needs of the customer.

Our products

Berger Paints Nigeria Plc products can be summed into the following:

Pre- Decoratives and Primers

These are products to prepare a surface for application of paint and coating products. They are prepared to quality standards to ensure that the surface is properly prepared to give the best painting results. These products include; Ruffhide, Red Oxide

Corporate Profile (Cont'd)

Metal Primer, Alkaline Resisting Primer, etc.

Decoratives

The decorative product range covers the architectural and building maintenance coatings used to bring projects to life. The products come in two broad ranges; premium and standard.

- **The premium decorative brand** is Luxol and comes in Matt (Emulsion), Satin, Silk and Gloss. Our satin product (formerly known as Clinstay) is a premium satin paint that allows for easy cleaning and light scrubbing - *due to its nature, it is suitable for internal parts of the home and high traffic areas*. As part of our commitment to the environment, we also have our premium satin and matt in eco-friendly variants. This eco friendly variant is available in white colour only for now.
- **The standard decorative brand** is Superstar and comes in Matt, Satin and Gloss. The Superstar standard satin is a standard satin paint which is suitable for internal parts of the home and high traffic areas because it allows for easy cleaning and light scrubbing.

Marine and Protection

These are products developed to meet the comprehensive and specialized anti-corrosive needs of the equipment and structure used in the marine industry of Nigeria.

Industrial Coating

These are products to protect equipment and machines from rust and also make them resistant to scratching.

Special Orders

We have the Wood Preservers and Finishes and Autolux- Automotive/Vehicle refinishes available as special orders.

The Automotive range of products are top quality and include top coats used by vehicle assembly plants and the brand Autolux which is a range of high-quality car refinishes available in single and 2 pack and a wide range of colours. The Autolux range also includes primers, Vanish, solid and metallic paints and NC putty. Autolux is the ideal all-purpose refinish enamel and it can be low baked or air dried.

Berger Paints Nigeria Plc also supplies major industries in Nigeria 2- pack auto refinishes products.

Wood Preservers and Finishes include Lignolac and Bergenol. Bergenol is renowned for high quality performance in wood preservation. Lignolac range products includes matt, satin, lacquer gloss, sanding sealer and wood stains and is used in the wood industry for doors and furniture.

Swift Painting

This is a subsidiary of Berger Paints Nigeria Plc that uses mechanized and advanced tools, skilled professionals to offer painting services. Swift painting has five differentiating factors:

- Specialized Expertise
- Customized & Personalized Service
- Express Painting Service
- Innovative Solutions & Technology
- Post-Project Support

Corporate Profile (Cont'd)

Quality Assurance

Berger Paints is committed to quality ensuring that we exceed our clients' expectations working within relevant regulatory and statutory requirements. Strict attention is paid to our processes to ensure continuous improvement to ensure that we are in accordance with the NIS ISO 9001:2015 standard.

Marketing and Distribution

To support customer reach, we have expanded our retail foot prints pan Nigeria via Colour World and Colour Mart outlets. Outside of our outlets, our route to market also includes platforms in the digital space. Our products can be ordered through the Berger paints website and delivered to customers within 48 hours. We also have partnerships with Online sales agents which contribute to the growth of our market share.

Board of Directors



MR. ABI AYIDA
CHAIRMAN

Mr. Ayida holds a Bachelor's Degree in Economics from University of Minnesota, USA and a Masters' Degree in Economics from Pennsylvania State University, USA. He has extensive experience in investment banking, insurance, retail and manufacturing industries in the UK, USA and Nigeria. He is the Managing Partner for Vail Woodward Associates, a firm of international business development consultants.

He is also the Managing Partner of Ilare Properties Limited, owners, developers and managers of luxury retail shopping malls and Chairman of Econation Recycling (UK) Limited. He is a Member of the Institute of Directors and a Member of the Guardian Newspapers Editorial Board.

He joined the Board on 14th December 1999 and was appointed as Chairman of the Board on 7th June, 2018.



MR. RAJ MANGTANI
NON-EXECUTIVE DIRECTOR

Mr. Mangtani is an astute businessman and holds a Bachelor's Degree in Commerce from University of Bombay. He is a member of the Nigeria Institute of Management and Indian Professionals' Association of Nigeria.

Mr. Mangtani is the Managing Director of Emychem Limited, a leading chemical marketing company. He also serves on the Boards of such notable manufacturing companies as Metcem Limited and Zaika Foods Ingredient Limited as a non-executive director.

He joined the Board as a NonExecutive Director on 10th September, 2002 as an alternate director, and was appointed as a full Non-Executive Director on 16th October, 2014.

Board of Directors (Cont'd)



MR. KUNLE OLOWOKANDE
NON-EXECUTIVE DIRECTOR

Mr. Olowokande is a self-directed finance professional and innovative thinker with a knack for developing creative solutions to complex problems. Dedicated to continuous process improvements in the face of rapidly evolving and changing markets. Extremely results-orientated and proactive in addressing and resolving problems. An experienced business professional with strong leadership and relationship-building skills.

He obtained a Higher National Diploma from the prestigious Yaba College of technology in 2000. He then proceeded to the University of North London (Now called London Metropolitan University) for his MA (Master of Arts) in international Finance. Upon attainment of his MA, he proceeded to the London College of Accountancy for his Association of Certified Chartered Accountants (ACCA) qualification.

Mr. Olowokande joined AETC Ltd in London as group corporate accountant, a position he held till he returned to Nigeria in October 2009. He joined Berger Paints Nigeria Plc in 2010 as Compliance and Risk accountant and later became Head of Strategy and Risk until March 2014.

He is the principal consultant at Austin Fraser Consulting, a firm dedicated to assisting Nigerian companies unlock their latent potential.

He sits on the Board of Berger Paints Nigeria Plc, CAFOA Nigeria Limited and a member of the Institute of Directors.



DR. OGECHI IHEANACHO
NON-EXECUTIVE DIRECTOR

Dr. Ogechi Iheanacho is a legal practitioner with expertise in corporate and commercial law, corporate finance, and governance. She is the managing partner of Formosa Partners, a director on the board of Harmony Trust & Investment Company Ltd and a trustee of the Living Fountain Orphanage, Lagos.

She previously served as legal counsel in the company secretariat of Fidelity Bank Plc., and as financial dealer, Treasury & Funds Management with Associated Discount House Ltd (now Coronation Merchant Bank Ltd).

Dr. Iheanacho graduated with an LLB degree from the University of Westminster, London, where she was awarded the Geoffrey Reeday Prize for Company Law. She also holds a Master's degree in Commercial & Corporate Law (Merit) from the University of London (University College London) and a Ph.D. in Law from the University of Calabar. She is an alumnus of the Maersk International Shipping Education (M.I.S.E.) program of the A.P. Møller/Maersk Group of Denmark. She is a member of the Institute of Directors Nigeria, the Society for Corporate Governance Nigeria, the Sustainability Professionals Institute of Nigeria and the Nigerian Bar Association. Dr. Iheanacho is also an Associate of the Chartered Governance Institute, UK.

Board of Directors (Cont'd)



MRS. EREJUWA GBADEBO
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mrs. Gbadebo is a Chartered Architect and Chartered Surveyor with 35 years of international experience in strategic and executive management, project design, and on-site project and program administration, in both the construction and real estate industry. She has undertaken several courses on ethics, finance, law, and the role of Independent Non-Executive Directors as run by the Royal Institution of Chartered Surveyors, UK, the Institute of Directors, Nigeria and Women on Boards, UK. She holds an MBA from Henley Management College, UK, with an emphasis on strategic marketing, and financial and project management.

Mrs. Gbadebo possesses experience in the management and leadership of people, time and resources, plus the coordination of multi-disciplinary external teams of consultants, support staff and contractors. She served as the Chief Executive Officer of Broll Property Services Limited, Nigeria (Broll NG), a subsidiary of Broll Property Services Group (Pty) South Africa, between June 2008 and Sept 2013. She also served as Executive Director of Propose, Design and Implement (PDI) Limited, a boutique real estate consultancy and advisory firm, between October 2013 and January 2015. Thereafter, she served as Managing Director of Alpha Mead Real Estate Partners Limited - a strategic business unit of Alpha Mead Group (formerly Cluttons International Limited- the Nigerian subsidiary of Cluttons LLP, United Kingdom), between January 2015 and January 2020. She is currently the Managing Director of Propose, Design and Implement (PDI) Limited.



DR. AISHA WAZIRI UMAR
Barrister, Solicitor & Notary Public, Doctorate Degree in Trade Law (PhD),
PGDip (Oxford), LL.M (Lon) LL.B (Bucks)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Aisha Waziri is a distinguished Legal Practitioner, Notary Public, and Social Entrepreneur with over three decades of experience spanning the public sector, private sector, and academia. She specializes in economic and trade law, dispute resolution, and agricultural policy, and has a proven track record of providing high-level legal and technical advisory services to federal and state governments, as well as international development agencies such as DFID, the Islamic Development Bank, and the World Bank.

Her doctoral research at the University of West Scotland, focused on leveraging the WTO Dispute Settlement Framework to address trade barriers faced by African agricultural exports. She has published extensively on trade-related topics, including trade dispute resolution, Sanitary and Phytosanitary Standards (SPS), and strategies for enhancing value-added agricultural exports from Africa.

Beyond her legal practice, Dr. Aisha Waziri is a dynamic entrepreneur. She is the Founder and CEO of iProduce Africa, an innovative agribusiness start-up that promotes trade and value addition for agricultural products sourced from northern Nigeria. She is also the Founder of the Inara Foundation, a non-governmental organization dedicated to empowering vulnerable and conflict-affected populations in North East Nigeria through poverty alleviation, education, and women's economic empowerment.

A respected board member, Dr. Aisha Waziri currently serves on the boards of Jaiz Bank Nigeria, Berger Paints PLC and WIMA Nigeria (Women in mechanized Agriculture).

■ Board of Directors (Cont'd)



MRS. ALABA FAGUN
GROUP MANAGING DIRECTOR/CEO

Alaba Fagun's extensive background in real estate, spanning various sectors including commercial, residential, institutional, and financial-based projects, positions her as a seasoned professional with a wealth of experience and expertise.

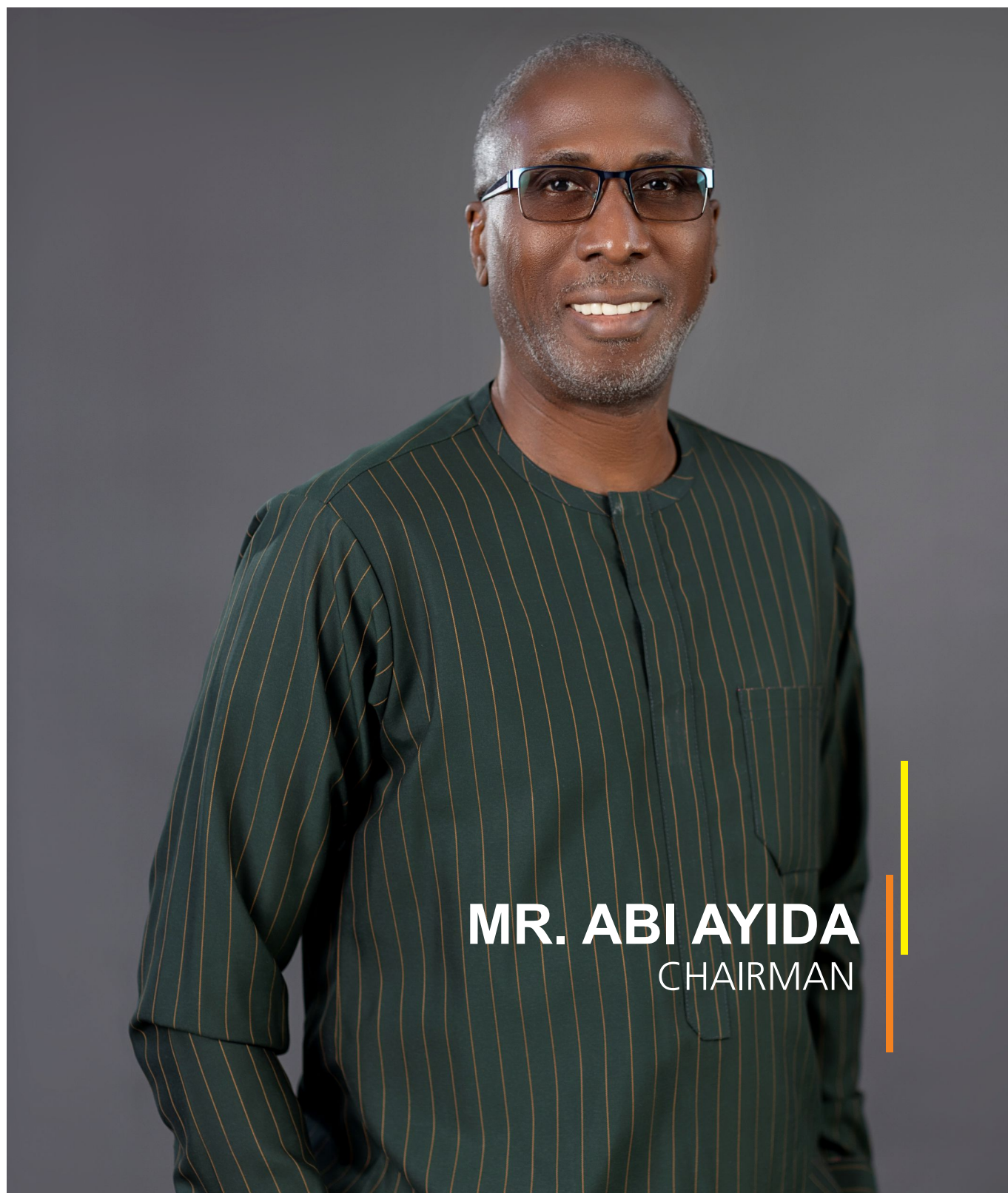
Her journey in the real estate industry began with her architectural education at the University of Lagos, where she obtained a Bachelor of Environmental Science and Bachelor of Architecture degrees with distinction. This academic foundation equipped her with the necessary skills and knowledge to excel in the field.

Starting her career as an architect at Siji Dosekun Partnership in Lagos, Mrs. Fagun gained valuable hands-on experience in architectural design and project management. Her subsequent roles at various architectural and real estate companies, including Architects Co-Partnership in Hertfordshire, United Kingdom, further honed her skills and provided her with diverse perspectives in the industry. In addition, she held several roles, such as the founding Managing Director of UPDC Facility Management Limited (UPDCFM); Head of Facilities Management and Head, Major Projects at Union Bank of Nigeria Plc, Lagos Nigeria; Senior Manager

Properties at Broll Property Services Limited Lagos Nigeria. Her appointment as the Group Managing Director/CEO of Berger Paints Nigeria Plc underscores her leadership abilities and strategic vision in steering the company towards its goals. Her membership in professional bodies such as the Institute of Workplace and Facilities Management (IWFM) and the Institute of Directors (IOD) reflects her commitment to staying abreast of industry trends and best practices.

Since assuming the role, she has been instrumental in shaping the company's financial strategy and overall governance framework.

Chairman's Statement



Chairman's Statement (Cont'd)

Dear Esteemed Shareholders,

It is with great pleasure that I welcome you to the 65th Annual General Meeting (AGM) of Berger Paints Nigeria Plc, which is being held virtually today, the 22nd of May 2025. This occasion marks another significant milestone in our company's journey, and I extend my sincere appreciation for your unwavering support and trust in our organisation. Your steadfast confidence in our leadership and commitment to our vision continue to propel us forward, enabling us to navigate complexities while achieving sustainable growth.

An Extraordinary Year

H1 2024 presented the most significant challenges we have ever faced in our Company's history. The introduction of key fiscal reforms by the Federal Government of Nigeria led to a severe cost-of-living crisis. We faced an unwanted trifecta of historic inflation, fuel subsidy removal and devaluation of the Naira.

The Manufacturing sector faced unprecedented difficulties with almost daily cost increases on a sustained basis. The complexity of the situation required a robust dynamic response and I am pleased to report that our entire organisation met the challenges head on and emerged a more resilient company for the conditions in H2 2024.

Through a combination of innovation, operational efficiency, and a customer-centric approach, we successfully navigated the uncertainties and fortified our market position.

These factors, alongside supply chain disruptions and heightened production costs, placed considerable pressure on businesses across various sectors, including ours. However, through meticulous planning, prudent resource management, and strategic investments, we not only withstood these challenges but emerged stronger.

Performance Overview

In 2024, the Nigerian economy faced significant headwinds, with inflation surging from 29.9% in January to 34.8% in December, fuel prices escalating from ₦668 to ₦1,189 per litre, and the USD/NGN exchange rate peaking at ₦1,665 in February before stabilising around ₦1,500 in June and maintaining relative stability for the rest of the year. These macroeconomic challenges exerted considerable pressure on input material costs and operational expenses. However, through strategic foresight and operational excellence, we delivered a strong financial performance.

Our revenue grew by 36%, increasing from ₦7.9 billion to ₦10.8 billion and our Gross Profit likewise by 42%. Additionally, Operating Profit surged by 49%, rising from ₦751 million to ₦1.12 billion. Profit After Tax (PAT) stood at ₦610.8 million, marking an impressive 37% year-on-year growth.

These outstanding results underscore the effectiveness of our strategic initiatives and the unwavering commitment of our management team and employees.

The complex economic environment, characterised by foreign exchange volatility, inflationary pressures, and supply chain disruptions, necessitated a proactive and innovative approach. By leveraging our robust distribution network, expanding our retail presence, and pioneering eco-friendly product innovations, we effectively mitigated these challenges, strengthened our market positioning, and sustained profitability.

Interim Dividend

In recognition of our shareholders' enduring trust and investment in our company, the Board of Directors authorised an Interim Dividend of 20 Kobo per share, in line with the previous year. The dividend has since been paid. This decision reflects our

Chairman's Statement (Cont'd)

commitment to delivering value to our shareholders, particularly in light of prevailing economic challenges. Following the positive reception of our inaugural interim dividend last year, we are pleased to continue this practice, reinforcing investor confidence and enhancing the value of your holdings. We acknowledge the feedback from shareholders in previous meetings and remain committed to responding to your expectations.

Final Dividend

Recognising the importance of rewarding our shareholders, we are recommending, for your kind approval, a final dividend of 100 Kobo per share, bringing the total dividend to 120 Kobo per share, a 20% increase from the previous financial year. This aligns with our commitment to delivering shareholder value while maintaining financial prudence.

If the shareholders approve the recommendation, the dividend will be paid, less withholding tax, to shareholders whose names appear on our Company's Register of Members as at the close of business on 24 April 2025.

Strengthening Our Market Position

In 2024, we intensified our strategic activities to reinforce our proposition, 'Experience Your World in Colour,' and continued to drive our market engagement and positioning. We made significant strides in market expansion, product innovation, and customer engagement:

Retail Growth: Increased the number of Colour World and Colour Mart outlets, while also strengthening our online sales platform to enhance customer accessibility and convenience.

Customer-Centric Initiatives: We executed targeted marketing campaigns, expanded our digital engagement efforts, and participated in industry events, all aimed at strengthening our customer relationships.

Strategic Partnerships: Collaborations with Innovate UK and the Knowledge Transfer Network advanced our sustainability and efficiency agenda. One of the highlights of this partnership was our pioneering efforts in paint valorisation, repurposing aged paint stock for decorative applications on bio-based tiles as a sustainable alternative to traditional ceramic tiles.

Product Innovation

The launch of our eco-friendly paint range marked a significant milestone as the first of its kind in Nigeria, aligning with global sustainability trends. With the launch of the Eco-friendly Matt and Satin product variants, BPN has succeeded in providing a safer environment and improving the air quality for our discerning customers while maintaining premium quality and durability.

Additionally, we introduced other high-quality products, including:

- Luxol Gold Weathersure Exterior Finish – a super-premium, water-based exterior coating designed for enhanced durability.
- Standard Satin Paint – a high-quality addition to our product lineup, catering to a broader range of customer preferences.

Sustainability & Corporate Social Responsibility

Beyond financial performance, we remained committed to making a positive environmental and social impact.

Our sustainability initiatives included the launch of eco-friendly paints, reinforcing our dedication to reducing environmental harm while providing high-quality products. Additionally, through our partnership with Innovate UK, we collaborated on a project focused on converting waste plastic (PET bottles) into valuable products like alkyd resin. This initiative not only promotes circular economy

Chairman's Statement (Cont'd)

practices but also helps mitigate pollution and flooding by preventing PET waste from clogging drainage systems.

On the Corporate Social Responsibility (CSR) front, we contributed meaningfully to education by renovating learning spaces, ensuring a more conducive environment for students. We also organised medical outreach programs, providing essential healthcare services to underserved communities, and actively engaged our employees in community service projects, fostering a culture of social responsibility within our organisation.

Compliance with the Disabilities Act

As part of our commitment to inclusivity and social responsibility, we have taken steps to ensure compliance with the Discrimination Against Persons with Disabilities (Prohibition) Act of 2018 by implementing inclusive measures such as designated parking spots, mobile stair ramps, designated toilet spaces, and ease of door control systems, among others, towards making our facilities and business operations more accessible to individuals with disabilities.

Moving forward, we are committed to further enhancing our compliance with the Disabilities Act to create a more inclusive workplace environment. We believe that fostering an inclusive environment strengthens our workforce, enhances innovation, and reinforces our position as a socially responsible organization.

Leadership Transition

As part of our strategic growth, we made key leadership appointments in 2024 to strengthen our executive team. Our Managing Director was promoted to Group Managing Director, reflecting our long-term vision and expansion strategy. Additionally, we appointed a new Chief Financial Officer, further enhancing our financial management and strategic planning capabilities.

Regulatory Infractions

For the year 2024 financial year, no regulatory infraction was recorded.

Outlook for the Future

Looking ahead, we remain focused on sustainable growth, operational efficiency, and customer satisfaction. While economic uncertainties persist, we are confident in our ability to navigate challenges through strategic agility, digital transformation, and continuous product innovation.

Appreciation

I extend my profound gratitude to our Board of Directors for their guidance, to our management team and employees for their dedication, and to you, our esteemed shareholders, for your trust and confidence. Our journey ahead is promising, and with your support, we will continue to achieve greater milestones.

Thank you.



Abi Ayida
FRC/2019/IODN/00000019260
Chairman, Board of Directors.



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www.swiftpainting.ng

     @swiftpaintingng

Management Profile

Mrs. Nkechi Ojeyokan has over 15 years of experience in finance, particularly within the manufacturing and FMCG sectors, her track record of driving financial excellence, strategic growth, innovation, and people development demonstrates her expertise and leadership capabilities.

Her educational background is quite impressive and solid. With a BSc in Accounting from Obafemi Awolowo University, Ile-Ife, and a BSc in Applied Accounting from Oxford Brookes University UK, she laid a strong foundation for her career. Her MSc in Finance and Investment from the University of Ulster, UK, further enriched her knowledge in the field.

Starting her career in 2008 with Staples Business Advantage and Rentokil Initial, she was responsible for allocating customer payments, reconciling accounts, resolving customers queries and providing operational status reports. In 2009 she joined the Nigerian Breweries Plc as a Financial Analyst, then promoted to Payment Accountant and Internal Audit Assistant. Her career took another leap in 2015 as she became the Business Controller for the West Zone. In this role, she was entrusted with overseeing the financial operations of seven sales regions across Western Nigeria. Her responsibilities included ensuring efficient resource utilization, effective credit management to optimize turnover while minimizing bad debt, and maximizing the utilization of commercial budgets.

Nkechi Ojeyokan's role as Finance Director at Champion Breweries Plc in 2020 marked a pivotal point in her career, where she led the finance, IT, and procurement functions of the company. During her tenure, she implemented strategic initiatives which grew revenue 1.8 times and profit 9.4 times. Executed several cost reductions, cost optimisation and risk mitigation plans, effectively managed working capital, secured N2bn single digit interest BOI loan for CAPEX projects, ensured accurate, timely and insightful reporting to the Board and Nigerian Stock Exchange. She led a team of 13 Finance, Procurement and IT professionals, provided mentorship and guidance to deliver on set KPIs.

Prior to her appointment at Berger Paints Nigeria Plc, Mrs Ojeyokan took on the role as Chief Financial Officer (CFO) at Big Bottling Company Ltd in 2023, where she oversaw the Finance, IT, HR, and Procurement functions. She was a vital tool in restarting the business with fresh equity funding, prepared annual plan, negotiated repayment plans with vendors and banks, executed restructuring initiatives and effectively managed working capital to ensure consistent stock availability for sale.

Furthermore, her professional certifications as a member of The Association of Chartered Certified Accountants (ACCA), The Institute of Chartered Accountant Nigeria (ICAN) and the Financial Reporting Council Nigeria reflect her commitment to continuous learning and professional development.



MRS. NKECHI OJYOKAN
CHIEF FINANCIAL OFFICER

Engr. Celestine Ufuoma Aruoture is a seasoned civil engineer accredited by the Council for the registration of Engineering in Nigeria (COREN). In pursuit of additional competencies, he attained a master's degree in Facilities Management from the University of Lagos (Nigeria) and an MBA from the University of South Wales (UK).

With close to twenty years of tenure in the financial sector, Celestine has garnered substantial expertise through key roles at First Bank of Nigeria Limited and Union Bank Nigeria Plc. Notable areas of contribution include Facilities Management, Project Management, Business Continuity Management, Building Operations & Maintenance, Procurement Management, Contract & Vendor Management, Occupational Safety & Security, Operational Efficiency, Energy Management, Stakeholder Management, and Team Engagement & Motivation.

Complementing his professional experience, Celestine holds specialized certifications in Data Analytics from Google (US), Supply Chain Management from Rutgers State University (US), and Data Driven Decision Making (DDDM) from the University at Buffalo (US), enabling him to leverage data-driven insights for optimizing business processes.

His membership status with esteemed bodies such as the American Society of Civil Engineers (ASCE), International Facility Management Association (IFMA), and the Nigerian Society of Engineers (NSE) underscore his ongoing commitment to professional updates regarding trends in the facilities and civil engineering industry.

Celestine's leadership acumen, adept problem solving skills, and unwavering dedication to service excellence have been instrumental in shaping his contributions to the organizational objectives of Berger Paints Nigeria Plc. His emphasis on fostering team cohesion and motivation has culminated in high-performing team consistently exceeding client expectations and delivering value for the company.



ENGR. CELESTINE UFUOMA ARUOTURE
CHIEF OPERATING OFFICER

Management Profile (Cont'd)

Mr. Olawale Akinremi's extensive experience and progression within the sales department at Berger Paint Nigeria Plc showcase his dedication and proficiency in sales management. With over 16 years in various sales roles, he has accumulated a wealth of expertise in driving sales growth and managing customer relationships.

He obtained a Higher National Diploma in Marketing (HND) from The Polytechnic Ibadan, as well as a Postgraduate Diploma (PGD) and an MBA in Marketing from Ladoke Akintola University of Technology.

His participation in training programs with the Metropolitan School of Business and Management further demonstrates his proactive approach to continuous learning and professional development.

His strengths lie in people and customer management, reflected in his progression through various sales roles, from Area Sales Manager to National Franchise Manager. His goal-driven and result-oriented mindset, coupled with a focus on providing excellent customer service, both internally and externally, contribute to his success in achieving set targets and driving positive changes within the organization.

Mr. Akinremi's outstanding work ethics, commitment to team achievements, and comprehensive knowledge of strategy development, channels management, and communication development further enhance his effectiveness as the Head of Sales. His ability to develop both latent and hard skills within a challenging and competitive environment underscores his dedication to personal and professional growth, making him a valuable asset to Berger Paint Nigeria Plc's sales team.



MR. OLAWALE AKINREMI
HEAD, SALES

Mrs. Oluwayemisi Ilile's journey in human resources reflects her dedication and proficiency in both operational and strategic HR functions across diverse sectors of the Nigerian economy.

Mrs. Ilile's educational background, including a Bachelor of Science degree in Economics from the University of Lagos, coupled with her professional certifications as an Associate of the Chartered Institute of Personnel Management of Nigeria (ACIPM) and a Senior Professional in Human Resources International (SPHRI) from the HR Certification Institute.

Starting her career as a HR & Admin Officer at Multiverse Resources Plc, Mrs. Ilile gained early exposure to HR management while working closely with top executives such as the Company Secretary, Managing Director and Executive Director. This experience early on in her career quickly prepared her for leadership and honed her people management skills. Moving on to HealthPlus Pharmacy and CasaBella International Limited, she expanded her expertise in various HR functions such as compensation and benefits, learning and development, and employee services. As Head of Human Resources at Meristem Securities Limited, Mrs. Ilile took on more strategic responsibilities, including talent management, succession planning, performance management, and organizational development. Before joining Berger Paints Plc, she served as the Head of Human Resources at Globe Broadcasting and Communications Limited, further enhancing her experience in managing HR functions within the media sector.

Additionally, her involvement as a volunteer Coach, Mentor, and Facilitator with WAVE Academy demonstrates her dedication to giving back to the community and nurturing future HR professionals.

Joining Berger Paints Plc as Head of Human Resources, she brings with her a wealth of experience and expertise in both operational and strategic HR functions, positioning her to make significant contributions to the company's HR strategy and objectives.



MRS. OLUWAYEMISI ILILE
HEAD, HUMAN RESOURCES

Management Profile (Cont'd)

Mrs. Omolara Bello, currently serving as the Company Secretary/Legal Adviser, commenced her tenure at Berger Paints Nigeria on February 15, 2023. She has had a rich and varied career in the legal field, demonstrating a strong academic background and practical experience in both local and international settings. Her journey showcases a commitment to continuous learning and professional development.

She holds an LLB degree from Olabisi Onabanjo University, obtained in 2003, and was called to the Bar in November 2005. In 2007, she furthered her studies and earned an LLM in International and Commercial Law from the University of Buckingham, where she received the Morayo Atoki Prize for her outstanding academic performance and contributions to the LLM program.

Prior to joining Berger Paints Nigeria Plc, her tenure at Gans and Co. Solicitors provided her with foundational experience as an associate. Upon returning to Nigeria in 2011, she briefly served as an Auditor at the Internal Revenue Service in Lagos State. From November 2013 to 2017, she served as the pioneering Head of Claims at Sifax Ports and Cargo Handling Services Limited, a subsidiary of the SIFAX Group. During her tenure, Mrs. Bello adeptly negotiated numerous contentious claims, significantly contributing to the company's success. Throughout her career, she has demonstrated astute legal expertise, participating in various training sessions and seminars both locally and internationally.

In addition to her work experience, in 2018, Mrs. Bello transitioned to Skyway Aviation Handling Company Plc as the Head of Legal Services and Company Secretary. In this role, she provided invaluable legal advisory support and guidance to the CEO, alongside fulfilling company secretarial duties.

Mrs. Bello is an active member of the Nigerian Bar Association, leveraging her expertise to enhance legal compliance and governance within the organisations she serves.



MRS. OMOLARA BELLO
COMPANY SECRETARY/LEGAL ADVISER

Mr. Opeyemi Subair is an experienced finance, audit & control professional with a demonstrated history of work experience cutting through several industries such as Aviation, Real Estates, Agriculture, Consulting, Manufacturing & FMCG, Construction and Entertainment Industry highlights his versatility and proficiency in financial management.

His educational background, including a degree in Accounting from Crescent University, Abeokuta, and an MBA from the National Open University of Nigeria, combined with his Chartered Accountant certification from the Institute of Chartered Accountants of Nigeria, underpin his expertise in financial reporting, internal audit/control, risk management, and corporate governance review (Board Appraisal), treasury operations, fraud & investigation, corporate intelligence (background search), regulatory compliance, accounting and advisory services.

Beginning his professional career at Medview Airline as an audit assistant where he was actively involved in Forensic, Internal and External Audit reviews of various clients and service providers of the company interfacing with both middle and toplevel management before proceeding to Clayfields and Harrows Limited where he was involved in process review, process documentation, fraud investigation and risk management. He also worked with De United Foods and Industries Limited (DUFIL) as a Senior Finance Supervisor where he was saddled with the responsibility of setting up the finance department, process documentations and project finance monitoring.

Prior to joining Berger Paints Plc (BPN), Subair served as the Group Manager of Internal Control, Audit & Compliance for Filmhouse Group, where he established and led the internal audit, compliance, and investigations department. His role at Arbico Plc as Finance Manager involved reorganizing the finance department, managing tax, procurement, and inventory, ensuring regulatory compliance, and preparing financial statements.

He is a member of the Nigerian Institute of Management, Institute of Internal Auditors (IIA) and also a member of Audit and Control Professionals.

Overall, Mr. Subair's multifaceted experience and expertise make him a valuable asset in finance, audit, and control roles, contributing to the success and growth of the organization.



MR. OPEYEMI SUBAIR
HEAD, INTERNAL CONTROL,
RISK AND COMPLIANCE

Management Profile (Cont'd)

Ms. Peculiar Okafor is an experienced marketing and commercial leader with working experience across advertising, FMCG, International NGO and Manufacturing sectors.

Her educational background includes an MBA from Business School Netherlands, professional training from prestigious institutions such as the Lagos Business School, London School of Business and Finance, and the Digital Marketing Institute.

Beginning her journey as a management trainee with the Troyka Group, Peculiar gained foundational experience in advertising and integrated marketing communications while working at Insight Communications. This experience equipped her with a solid understanding of consumer behavior and brand management. Transitioning to JMG as an assistant marketing manager and a marketing manager at Hello Products Limited showcased her ability to develop and execute marketing campaigns that drive brand awareness and customer engagement.

Prior to joining Berger Paints Nigeria Plc, she was a Trade Marketing Manager with Mariestopes where she expanded her skill set by managing marketing and trade activities for the Social marketing directorate. This role provided her with valuable experience in both traditional and unconventional marketing strategies, given the unique challenges of marketing in the NGO sector.

Throughout her career, she has been recognized for her sense of ownership and ability to develop clutter cutting marketing solutions that deliver return on investment while driving profitability and business objectives.



MS. PECULIAR OKAFOR
HEAD, MARKETING

GMD/CEO's Statement



GMD/CEO's Statement (Cont'd)

Distinguished Shareholders, Board Members, and Esteemed Stakeholders

It is with profound gratitude and a sense of purpose that I welcome you to the 65th Annual General Meeting of Berger Paints Nigeria Plc for the financial year ended 2024. This gathering serves as a pivotal moment to reflect on our journey, celebrate milestones, and reaffirm our commitment to driving innovation, sustainability, and long-term value creation for all stakeholders.

At Berger Paints Nigeria Plc, our operations are firmly anchored on the core values of **Professionalism, Integrity, Innovation, Customer Centricity, and Teamwork**. These guiding principles remain the foundation of our decision-making processes and inspire us to deliver world-class products and services that resonate with our customers while positioning us as a leader in the industry.

Strategic Resilience Amidst Economic Challenges

The business environment in 2024 posed significant challenges, including inflationary pressures, foreign exchange volatility, and supply chain disruptions that impacted operational costs and consumer purchasing power. Additionally, we faced intensified competition from foreign finished products and the proliferation of substandard paints in the local market—a dynamic that tested our ability to differentiate ourselves through quality and innovation.

Despite these headwinds, Berger Paints Nigeria Plc demonstrated remarkable resilience. Through **strategic planning**, operational efficiency, and a steadfast focus on delivering superior products, we sustained profitability while creating value for our

shareholders. I am pleased to report that we achieved a **Profit After Tax (PAT) of ₦610 million**—a clear testament to our adaptability and commitment to excellence.

Moreover, we celebrated an extraordinary milestone with our share price reaching an all-time high of **₦23** in September 2024. This achievement underscores investor confidence in our strategic direction, financial health, and growth prospects.

Innovation and Sustainability: A Commitment to a Greener Future

Innovation and sustainability remain at the heart of our growth strategy. During the year under review, we launched **Luxol Green Paint**, an eco-friendly product with zero Volatile Organic Compounds (VOC). This groundbreaking innovation not only reinforces our leadership in the industry but also aligns with global trends toward environmental responsibility.

In collaboration with Innovate UK—a globally renowned innovation agency—we advanced initiatives aimed at valorising expired paint through sustainable solutions. These efforts contribute to reducing waste within the industry while fostering a circular economy.

As we move forward, we will continue to leverage strategic partnerships to pioneer innovative solutions that address environmental challenges and create shared value.

Swift Painting Nigeria Plc: Accelerating Market Penetration

Our subsidiary, Swift Painting Nigeria Plc, has emerged as a dynamic force within the market. With a strong value proposition centered on speed, efficiency, professionalism, and cutting-edge technology, Swift Painting has secured patronage from leading financial

GMD/CEO's Statement (Cont'd)

institutions and high-net-worth individuals (HNIs).

As we look ahead to 2025, we are confident that Swift Painting Nigeria Plc will achieve substantial growth through well-defined strategic initiatives. Its success will further amplify Berger Paints' market presence while reinforcing our leadership position in high-quality application services.

Acknowledging Our Pillars of Success

The achievements of 2024 would not have been possible without the unwavering dedication of our team members. Their passion for excellence exemplifies the values of **Professionalism, Teamwork, and Customer Centricity** that define Berger Paints Nigeria Plc. To every member of our team: your contributions are deeply appreciated.

To our loyal customers: despite economic challenges affecting purchasing power, your preference for quality Berger products inspires us to continuously innovate and improve. Your trust remains a cornerstone of our success.

To our esteemed shareholders and board members: your confidence in our vision has been instrumental in navigating uncertainties while seizing new opportunities. Your strategic guidance empowers us to aim higher as we chart new paths for growth.

Looking Ahead

As we step into 2025 and beyond, Berger Paints Nigeria Plc remains steadfast in its mission to drive innovation, deepen customer engagement, and embed sustainability into every facet of our operations.

By upholding our core values—**Professionalism, Integrity, Innovation, Customer Centricity**, and

Teamwork—we are poised to set new benchmarks in the industry while delivering enduring value for all stakeholders. Together with you—our valued partners—we will continue to "**Experience Your World in Colour.**"

Thank you for your continued support as we embark on another year of shared growth and success.



Alaba Fagun
Group Managing Director
FRC/2023/PRO/DIR/003/234540



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Email: customercare@bergerpaintsnig.com

Website: www.bergerpaintsnig.com

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Notice of 65th Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting (AGM) of Berger Paints Nigeria Plc. will be held virtually via : <https://bit.ly/BergerPaintsAGM> on Thursday, 22 May 2025 at 11:00 a.m., or so soon thereafter, to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2024, together with the reports of the Directors, Auditors, Board Appraisers and Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect the following Directors retiring by rotation:
 - a. Mr. Raj Mangtani.
 - b. Dr. Ogechi Iheanacho.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To disclose the remuneration of the Managers of the Company.
6. To elect members of the Audit Committee.

Special Business

7. To approve the remuneration of Directors.
8. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

'That the general mandate given to the Company to enter into recurrent transactions of a revenue or trading nature with related parties or interested persons for the Company's day-to-day operations, be and is hereby renewed.'

9. To consider and if thought fit, pass the following resolution as a special resolution of the Company, the amendment of the Articles of Association of the Company as detailed below:
 - 9.1. That Article 80 be reworded to read as follows:

'The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party. Provided that the amount for the time being remaining undischarged of money borrowed or secured by or on behalf of the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not at any time, exceed the amount deemed necessary within the ordinary course of business of the Company.'
 - 9.2. That the Board and Management is hereby authorized to perform all acts and to do all such other things as may be necessary for, or incidental to giving effect to resolution 9.1 above, including but not limited to carrying out, any actions as may be necessary to comply with any legislation, execute agreements, appointing consultants and advisers, and comply with the directives of the regulatory authorities and government bodies.

Notes

I. Proxies

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. A proxy form is attached to the Annual Report and Accounts. It may also be downloaded on the Company's website.

All instruments of proxy should be completed, duly stamped and deposited at the office of the Company's Registrars, Meristem Registrars and Probate Services Limited (Registrars) at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State or via email to info@meristemregistrars.com, not later than 48 hours before the time of holding the meeting.

■ Notice of 65th Annual General Meeting (Contd')

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 within the stipulated time.

II. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act and the Articles of Association of the Company, which allows public companies to hold meetings electronically, this AGM would be held virtually. The Virtual Meeting Link for the Annual General Meeting is <https://bit.ly/BergerPaintsAGM>. The Virtual Meeting Link will also be available on the Company's website at <https://bergerpaintsnig.com> and on the Registrar's website at <https://registrars.meristemng.com>.

Shareholders will also be able to participate electronically through the Company's *Youtube* Channel where the meeting shall be streamed live and comments noted. The link for the live streaming will be made available on the Company's website.

III. Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from Friday, 25 April 2025 to Thursday, 01 May 2025 (both days inclusive) for the purpose of updating the Register of Members.

IV. Proposed Dividend/Payment Date

The Board of Directors of the Company are recommending a final dividend of 100 kobo per every 50 kobo ordinary share, payable less Withholding Tax. If the recommendation is approved at the meeting, the dividend will be paid electronically on 22 May 2025, to shareholders whose names appear on the Register of Members as of 24 April 2025, and who have completed the e-dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts. With the interim dividend of 20 kobo per every 50 kobo ordinary share, earlier paid to shareholders less Withholding Tax, this brings the total dividend paid for the 2024 financial year to ₦1.20 kobo per every 50 kobo ordinary share.

Therefore, shareholders are advised to forward particulars of their account details to the Registrars to enable direct credit of their dividends on 22 May 2025.

V. Unclaimed Share Certificates and Dividend Warrants

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as 'unclaimed'. Any shareholder affected by this notice is advised to contact the Company's Registrars, Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Adekunle Yaba, Lagos State, for resolution.

VI. E-Dividend

Shareholders are kindly requested to update their records and advise the Registrars of their updated records and relevant bank accounts for payment of their dividends.

Forms in respect of mandate for e-dividend payment, and shareholder data update can be downloaded from Meristem Registrars & Probate Services Limited's website at <https://registrars.meristemng.com>.

The duly completed forms should be delivered to Meristem Registrars & Investors Services Limited at 213 Herbert Macaulay Way, Adekunle Yaba, Lagos State.

VII. Nominations to the Audit Committee

In accordance with Section 404 (2) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee, by giving notice in writing, of such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting.

■ Notice of 65th Annual General Meeting

VIII. Re-Election of Directors

Mr. Raj Mangtani and Dr. Ogechi Iheanacho are both retiring by rotation at this meeting in line with Section 285 of CAMA 2020. The retiring Directors, being eligible, are offering themselves for re-election as Directors at the AGM. The profiles of the Directors are contained in the Annual Report, which may be electronically downloaded at www.bergerpaintsnig.com.

IX. General Mandate

In line with the Nigerian Exchange Limited Rules on transactions with Related Parties, the Company is required to seek a renewal of the general mandate from shareholders as per item 8 of the agenda above. Members had unanimously given a general mandate to the Company at the last Annual General Meeting to enable it enter into related party transactions for the Company's day-to-day operations. The interested person shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction" in line with Rule 20.8(C8) of the Rules Governing Transactions with Related Parties or Interested Persons, Rulebook of Nigerian Exchange Limited (NGX) 2015, Issuers' Rules.

X. Electronic Annual Report

The electronic version of the Annual Report will be available online for viewing and download from the Company website at www.bergerpaintsnig.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Reports via email. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report should request via email to info@meristemregistrars.com or customercare@bergerpaintsnig.com.

XI. Rights of Securities Holders

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company Secretary/Legal Adviser, on or before 15 May, 2025.

XII. Profile of Directors

The profiles of all Directors are available for viewing on the Company's website at www.bergerpaintsnig.com.

Dated the 22nd Day of April, 2025.

By Order of the Board



Omolara Bello

Company Secretary/Legal Adviser

FRC/2019/NBA/00000019782

102 Oba Akran Avenue,

Ikeja, Lagos State.



Information Guide for the 65th Annual General Meeting

Dear Shareholders,

we welcome you to the 65th Annual General Meeting (AGM) of our esteemed Company,

which is holding virtually via <https://bit.ly/BergerPaintsAGM>, on Thursday, 22 May 2025 at 11:00 a.m. The proposed resolutions along with the rationale for the proposed resolutions are hereinafter detailed. At the meeting, you will be asked to vote in favor of the following resolutions;

1. RESOLUTION ON REPORTS AND ACCOUNTS

Resolution

"That the Audited Accounts for the financial year ended 31 December, 2024, together with the reports of the Directors, Auditors, Board Appraisers, and Audit Committee submitted to the meeting be received"

Rationale

This resolution is predicated on the requirements of Section 377 (1) of the Companies and Allied Matters Act, 2020 ('CAMA') which makes it mandatory for the Directors of Berger Paints Nigeria Plc. ('BPN' or 'the Company') to prepare Financial Statements for each year. In line with this provision, the 2024 Audited Financial Statements have been prepared and included in the 2024 Annual Report and Accounts which has been circulated to you. The Report also contains the Auditor's Report, the Audit Committee's Report, the Director's Report, and the report of the External Consultants on the 2024 Board Appraisal.

The 2024 Audited Financial Statements gives an overview of the financial performance of the Company for the year ended 31 December, 2024. The Annual Accounts and Reports which also contain the Auditor's Report will be read before you at this meeting and is open for the inspection of any member.

Similarly, the Audit Committee, on which you have your representatives, is required by CAMA 2020 to make recommendations to the General Meeting on the Company's performance and will be presenting its report accordingly.

The Director's Report, which will also be presented to you at the meeting, is required under Section 377 (2) (f) of CAMA 2020 to contain the following issues in respect of the Company:

- I. A fair view of the development of the business of the Company and its subsidiaries during the year and their position at the end of it;
- ii. The amount (if any) which they recommend should be paid as a dividend and the amount (if any) which they propose to carry to reserves;
- iii. The names of the persons who, at any time during the year, were directors of the Company and the financial activities of the Company and its subsidiaries in the course of the year and any significant change in those activities in the year;
- iv. Director's interest in the Shares of the Company;
- v. Donations given by the Company within the financial year;
- vi. Information relative to the employment, training, and advancement of disabled persons;

Information Guide for the 65th Annual General Meeting (Cont'd)

- vii. Information relative to the health, safety, and welfare at work of the employees of the Company;
- viii. Information on Committees of the Board and its membership.

Finally, the report of the External Consultant's Appraisal report on the Board's performance will be presented to you to give you an overview of the Board's stewardship for the year under review.

In addition to the aforementioned reports being statutorily required, the Annual Report seeks to give shareholders a clear picture of our Company's performance for the outgoing financial year. We urge you to vote in support of the motion to receive these reports and the audited financial statements.

2. RESOLUTION ON DIVIDEND PAYABLE

Resolution

"That a total dividend of ₦347,788,136.40 (Three Hundred and Forty-Seven million, Seven Hundred and Eighty-Eight Thousand, One Hundred and Thirty-Six Naira, Forty Kobo) which translates to ₦1.20 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, is hereby declared in respect of the year ended 31 December, 2024. Having earlier paid an interim dividend of ₦57,964,689.40 (Fifty-Seven Million, Nine Hundred and Sixty-Four Thousand, Six Hundred and Eighty-Nine Naira) which translates to 20 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, the final dividend payment of ₦289,823,447 (Two Hundred and Eighty-Nine Million, Eight Hundred and Twenty-Three Thousand, Four Hundred and Forty-Seven Naira) which translates to 100 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, to shareholders whose names appear on our Company's Register of Members as at the close of business on 24 April 2025, be hereby approved."

Rationale

According to the provisions of Section 426 (1) of CAMA 2020, the Company may, in general meeting, declare dividends in respect of any year or other period only on the recommendation of the Directors. Section 426 (3) further provides that the General Meeting shall have the power to decrease the amount of dividend recommended by the Directors but shall have no power to increase the recommended amount.

The Board of Directors has recommended the payment of the sum of ₦347,788,136.40 (Three Hundred and Forty-Seven million, Seven Hundred and Eighty-Eight Thousand, One Hundred and Thirty-Six Naira, Forty Kobo), out of the distributable reserve of the Company as total dividend in respect of the financial year ended 31 December 2024. This translates to ₦1.20 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax.

Please note that, of the recommended total dividend, the sum of ₦57,964,689.40 (Fifty-Seven Million, Nine Hundred and Sixty-Four Thousand, Six Hundred and Eighty-Nine Naira) which translates to 20 kobo per each 50 kobo ordinary share, subject to withholding tax, was earlier paid as interim dividend to shareholders during the 2024 financial year. Therefore, if this resolution is approved, the sum of ₦289,823,447 (Two Hundred and Eighty-Nine Million, Eight Hundred and Twenty-Three Thousand, Four Hundred and Forty-Seven Naira), which translates to 100 kobo per each 50 kobo ordinary share, subject to withholding tax, shall be paid as final dividend.

Kindly vote in support of the motion to approve the payment of the proposed Dividend.

3. RESOLUTION ON RE-ELECTION OF DIRECTORS

Resolution(s)

3a. "That Mr. Raj Mangtani, who having retired by rotation, being eligible and having offered himself for re-election, is duly re-elected".

Information Guide for the 65th Annual General Meeting (Cont'd)

3b. "That Dr. Ogechi Iheanacho, who having retired by rotation, being eligible and having offered herself for re-election, is duly re-elected'.

Rationale

Section 285 of CAMA 2020 provides that unless there is a contrary provision in the Articles of Association of a Company, all the directors of the Company shall at the first Annual General Meeting (AGM) retire from office and at subsequent AGMs, one-third of the directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire. In line with this statutory provision, one-third of the Board of Directors have always retired at every AGM. Therefore, two directors will be retiring at this meeting. They are Mr. Raj Mangtani and Dr. Ogechi Iheanacho.

The instant resolution, therefore, is for you to re-elect Mr. Raj Mangtani and Dr. Ogechi Iheanacho who will be retiring from the Board in line with Board rotation. Their profiles are detailed in this Report.

In view of the foregoing, we urge you to vote in support of the motion to re-elect Mr. Raj Mangtani and Dr. Ogechi Iheanacho to the Board as Directors.

4. RESOLUTION ON REMUNERATION AND EXPENSES OF THE COMPANY'S AUDITOR

Resolution

"That the remuneration and expenses of the Company's Auditor, Pannell Kerr Forster Professional Services, be fixed by the Directors in respect of the period ending at the end of the next Annual General Meeting."

Rationale

Section 408(1) (b) of CAMA 2020 provides that the remuneration of Auditors may be fixed by the Company in General Meeting or in such manner as the company in General Meeting may determine. In line with the referenced provision of CAMA 2020, it is usual practice to ask the General Meeting to authorise the Board to negotiate and fix the remuneration of the External Auditor.

The Board will be guided in this regard by the Audit Committee in line with the provisions of Section 404 (7) (e) of CAMA which provides that the Audit Committee shall make recommendations to the Board with regards to the appointment, removal and remuneration of the company's External Auditors. The Company's External Auditor is Pannell Kerr Forster Professional Services.

We therefore urge you to vote in support of the motion to authorise the Directors to fix the remuneration and expenses of the Company's Auditor, Pannell Kerr Forster Professional Services, in respect of the period ending at the end of the next Annual General Meeting.

5. TO DISCLOSE THE REMUNERATION OF THE MANAGERS OF THE COMPANY

Resolution

"The Directors hereby disclose that the remuneration for the Managers of the business for the 2024 financial year was ₦219,523,665.32 (Two Hundred and Nineteen Million, Five Hundred and Twenty-Three Thousand, Six Hundred and Sixty-Five Naira, Thirty-Two kobo)."

Rationale

One of the provisions of CAMA 2020 is the requirement for the disclosure of the remuneration of managers of a company to be added as part of the ordinary business to be transacted at an Annual General Meeting. Section 257 of CAMA 2020 provides that the remuneration of the managers of the business should be disclosed to the members of the Company at the

Information Guide for the 65th Annual General Meeting (Cont'd)

AGM whilst section 238 of CAMA 2020 provides that it should be treated as an ordinary business.

For the 2024 financial year, a total sum of ₦219,523,665.32 (Two Hundred and Nineteen Million, Five Hundred and Twenty-Three Thousand, Six Hundred and Sixty-Five Naira, Thirty-Two kobo) was paid to the managers of the business. No resolution is expected to be taken on this item.

6. RESOLUTION ON APPOINTMENT OF STATUTORY AUDIT COMMITTEE

Resolution

"Shareholders are requested to vote to elect the following nominees to serve on the Audit Committee for the current financial year:"

- | | | |
|----|----------------------|------------------------------|
| 1. | _____ | (Shareholder Representative) |
| 2. | _____ | (Shareholder Representative) |
| 3. | _____ | (Shareholder Representative) |
| 4. | Dr. Ogechi Iheanacho | (Director) |
| 5. | Mr. Kunle Olowokande | (Director) |

Rationale

According to the provisions of Section 404(2) of CAMA 2020, all public companies are mandated to have Statutory Audit Committees (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. Section 404(3) of CAMA 2020 provides that the Committee shall have a maximum of five (5) members including three (3) shareholder representatives and two (2) Non-Executive Directors.

In accordance with Section 404(6) of CAMA 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the AGM. The Code of Corporate Governance of the Securities and Exchange Commission indicates that some of the members of the SAC Committee should have basic financial literacy and be knowledgeable in internal control processes. The statutory duties and role of the SAC are enumerated in Section 404 (4) and (7) of CAMA 2020 to include the following:

- I. Examine the auditor's report and make recommendations thereon to the annual general meeting as it may deem fit.
- II. Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- III. Review the scope and planning of audit requirements;
- IV. Review the findings on management matters in conjunction with the external auditor and departmental responses thereon (Management Letter);
- V. Keep under review the effectiveness of the Company's system of accounting and internal control;
- VI. Make recommendations to the Board on the appointment, removal and remuneration of the external auditors of the Company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest that could impair the independent judgment of the external auditors;
- VII. Authorise the Internal Auditor to carry out investigations into any activity of the Company which may be of interest or concern to the committee; and
- VIII. Assist in the oversight of the integrity of the Company's financial statements and establish and develop the internal audit function.

Information Guide for the 65th Annual General Meeting (Cont'd)

At the meeting, there will be an election (by showing of hands only) to elect three shareholder representatives to serve on the SAC for the 2024 financial year.

In addition to the three representatives of the shareholders to be elected at the meeting, the following two members of the Board who are not subject to elections, are being proposed as the two designated Board members of the SAC for the 2024 financial year:

1. Dr. Ogechi Iheanacho
2. Mr. Kunle Olowokande

The profiles of the nominated directors to serve on the Statutory Audit Committee are outlined in this report.

We urge you to vote in support of the motion to vote the elected shareholder representatives and Board nominees to serve on the Statutory Audit Committee for the current financial year.

7. RESOLUTION TO APPROVE THE REMUNERATION OF THE DIRECTORS

Resolution

"That the Board of Directors be authorised to fix the remuneration of the Directors subject to the combined remuneration/compensation package for the Board of Directors being at a sum not exceeding ₦300,000,000.00 (Three Hundred Million Naira Only) and disclose in the annual Audited Financial Statements."

Rationale

Section 293 of CAMA provides that the remuneration of the Directors shall, from time to time, be determined by the Company in general meeting and such remuneration is deemed to accrue from day to day.

We therefore urge you to vote in support of the resolution above.

8. RESOLUTION TO APPROVE THE RENEWAL OF GENERAL MANDATE ON RECURRING RELATED PARTY TRANSACTIONS

Resolution

"That the general mandate given to the Company to enter into recurrent transactions of a revenue or trading nature with related parties or interested persons for the Company's day-to-day operations, be and is hereby renewed"

Rationale

Rule 20.8 of the Nigerian Exchange Limited (NGX)'s General Mandate provides that an ordinary resolution may be passed by shareholders which will grant the Board and Management the authority to enter into recurrent related party transactions of revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

You will recall that authorisation was given at previous AGMs. However, in line with the rules of the Exchange, the general mandate is subject to annual renewal. Hence, the need for the shareholders to renew the general mandate.

Shareholders are therefore urged to vote in support of the resolution above.

■ ■ Information Guide for the 65th Annual General Meeting (Cont'd)

9. RESOLUTION TO AMEND THE COMPANY'S ARTICLES OF ASSOCIATION

Resolution

That Article 80 of the Company's Articles of Association be reworded to read as follows:

"The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party. Provided that the amount for the time being remaining undischarged of money borrowed or secured by or on behalf of the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not at any time, exceed the amount deemed necessary within the ordinary course of business of the Company"

Rationale

The borrowing powers of the Board of Directors were previously limited to ₦500,000,000, as approved by the shareholders at a prior Annual General Meeting. However, when adjusted for inflation and devaluation, this limit became restrictive for business credit needs. Given the dynamic economic environment, increasing economic volatility, and the necessity for financial flexibility, the Articles are being amended to empower the Board to obtain credit as required within the ordinary course of business, ensuring the Company can respond effectively to operational and strategic financial requirement.

We urge you to vote in support of this resolution.

Directors' Report

The Directors are pleased to present to the distinguished members this Annual Report, together with the Audited Consolidated and Separate Financial Statements and the independent auditor's report for the year ended 31 December 2024. The Directors have considered all the matters brought before them in the financial year under review, and they are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

1. Legal status

The Company was incorporated in Nigeria as a private limited liability company on 9 January, 1959 and was converted to a public limited liability Company in 1973. The Company's shares were quoted on the Nigerian Stock Exchange with effect from 14 March 1974. The Company incorporated a subsidiary, Swift Painting Nigeria Limited, on 9 April 2022.

2. Principal activities

The principal activities of the Company remained the manufacturing and marketing of paints and allied products. The Company also holds an investment property. The principal activity of the subsidiary is rendering of professional painting services with the use of modern technology. They also provide technical support, trained applicators, mechanised tools and advanced products for cleaner and better paint results in homes, offices and factories.

3. Operating results

Information relating to changes during the year is indicated in the notes to the financial statements. The summary of the results is as follows:

| | Group 2024 N'000 | Group 2023 N'000 | Company 2024 N'000 | Company 2023 N'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Revenue | 10,831,911 | 7,967,546 | 10,739,502 | 7,910,181 |
| Operating profit | 1,123,052 | 706,711 | 1,127,150 | 730,177 |
| Profit before minimum tax | 1,128,806 | 776,316 | 1,132,904 | 799,783 |
| Profit before income tax | 1,128,806 | 776,316 | 1,132,904 | 799,783 |
| Income tax expenses | (517,944) | (330,986) | (517,944) | (330,986) |
| Total comprehensive income for the year | 610,862 | 445,330 | 614,960 | 468,797 |

4. Dividend

The directors are pleased to recommend to shareholders the payment of a final dividend of 100 kobo per share for the 2024 financial year (2023: 80kobo per share) which amounts to ₦289,823,447 (2023: ₦231,858,757.60), subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company's Register of members as at the close of business on April 24, 2025. The directors seek ratification by the members for the interim dividend of 20 kobo per share (2023: 20 kobo per share) in the amount of ₦57,964,689.40, approved by the Board and paid during the year.

5. Corporate Governance

Whistleblowing

The Board encourages the exposure of unethical practices and all reported cases are investigated while the whistle blower is protected. Our Whistle Blowing Policy is displayed throughout our premises and on our website. Berger Paints Nigeria Plc. conducts its business with integrity and diligence and with total consideration for the interest of the shareholders and other stakeholders.

■ Directors' Report (Cont'd)

Respect for Law

Berger Paints Nigeria Plc. ensures that its existence and operations remain within the law and its employees are required to comply with the laws and regulations of Nigeria. To this end, the Company has a Code of Ethics which is publicly available and subscribed to by directors, staff members and contractors. The Company, being a listed Company, strives to comply with all laws and regulations, including post-listing requirements of the Nigerian Stock Exchange and the Rules and Regulations of the Securities and Exchange Commission, as well as the Code of Corporate Governance. To this end, returns were made periodically to the relevant regulatory authorities as and when due.

Role In The Larger Society

Berger Paints Nigeria Plc. remains undisputedly, a leading paints manufacturer in this country, and as an integral part of the Nigerian society, the Company plays numerous roles. Apart from being a major employer of labour, Berger Paints is a supplier, a partner as well as a willing and uncompromising taxpayer. In doing all these, the Company impacts on the society in no small way. The Company's relationship with the shareholders and stakeholders is cordial and objective.

Integrity

The Company strives to maintain the highest standards of integrity in its operations. Accordingly, the Company condemns and does not give nor receive directly or otherwise any bribes, gratifications or obtain improper advantages for any business or financial gains. It is our policy to avoid any situation that will impact negatively on our operations.

6. Board of directors

(i) Composition of the Board and Attendance at Meetings

During the year under review, the Company was managed by a Board of seven (7) Directors consisting of two (2) Independent Non-Executive Directors, four (4) Non- Executive Directors (which included the Chairman) and one (1) Executive Director (i.e. the Managing Director). The Board met five (5) times in 2024. In compliance with Section 284(2) of the Companies and Allied Matters Act, 2020, the Record of Directors' attendance at Board meetings is exhibited for inspection at the meeting. It is summarised hereunder:

| S/N | Name | 25-Jan-24 | 26-Mar-24 | 23-Jul-24 | 22-Oct-24 | 26-Nov-24 | No. (5) |
|-----|-------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| 1 | Mr. Abi Ayida | P | P | P | P | P | 5 |
| 2 | Mr. Adekunle Olowokande | P | P | P | P | P | 5 |
| 3 | Dr. Ogechi Iheanacho | P | P | P | P | P | 5 |
| 4 | Mr. Raj Mangtani | P | P | P | P | P | 5 |
| 5 | Mrs. Erejuwa Gbadebo | P | P | P | P | P | 5 |
| 6 | Mrs. Aisha Umar | P | P | P | P | P | 5 |
| 7 | Mrs. Alaba Fagun | P | P | P | P | P | 5 |

P - Present

(ii) Board Changes

Appointment Process - The Board appointment process is guided by an ethical and transparent process in line with best practices and extant regulations. Directors are selected on the basis of skills, expertise and experience, among other considerations. The Board Establishment, Remuneration and Governance Committee is saddled with the responsibility of identifying, considering and recommending potential directors to the Board. Upon confirmation by the Board, they are thereafter presented to the shareholders for approval.

During the year under review, Mr. Abi Ayida and Mr. Adekunle Olowokande retired by rotation and were re-elected by the Shareholders at the 2024 Annual General Meeting. Additionally, Mrs. Alaba Fagun was appointed as the Group Managing Director of the Company (wef 01 May, 2024).

■ Directors' Report (Cont'd)

(iii) Board Training

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. For the 2024 financial year, the directors attended the following trainings:

- Sustainability Professionals Institute of Nigeria (SPIN) facilitated training on 'Understanding the New ISSB (IFRS S1 & S2) Sustainability Disclosure Standards
- National Corporate Governance Summit facilitated by the Institute of Directors (IOD) and Financial Reporting Council of Nigeria (FRCN).

(iv) Directors retiring by rotation

The Directors retiring by rotation in accordance with the Companies and Allied Matters Act 2020 are Mr. Raj Mangtani and Dr. Ogechi Iheanacho who, being eligible, offer themselves for re-election.

(v) Directors' interest in shares as at 31 December 2024

The interests of each Director in the shares of the Company, as at 31 December 2024, as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, 2020, and disclosed in accordance with the Listing Rules of Nigerian Stock Exchange are as stated below, along with their interests in contracts:

| Director | Direct 31 Dec, 24 | Direct 31 Dec, 23 | Indirect 31 Dec, 24 | Indirect 31 Dec, 23 | Interest in Contracts |
|-------------------------|-------------------------|-------------------------|--|--|-----------------------|
| Mr. Abi Ayida | 625,601 | 625,601 | Jurewa Investment 17,670,573 | Jurewa Investment 16,685,111 | None |
| | | | Alemaje and Company Limited 16,315,506 | Alemaje and Company Limited 16,315,506 | |
| Mr. Adekunle Olowokande | 197,965 | 197,965 | Nil | Nil | None |
| Dr. Ogechi Iheanacho | 100,000 | Nil | Nil | Nil | None |
| Mr. Raj Mangtani | Nil | Nil | Nil | Nil | None |
| Mrs. Erejuwa Gbadebo | Nil | Nil | Nil | Nil | None |
| Mrs. Aisha Umar | Nil | Nil | Nil | Nil | None |
| Mrs. Alaba Fagun | Nil | Nil | Nil | Nil | None |

(vi) Directors' Responsibilities

Berger Paints is committed to the highest ethical standards and best practices. The Board actively monitors the operations of the Company and is responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention/detection of fraud and other irregularities. The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year, and of the profit or loss for that year, in compliance with the Companies and Allied Matters Act, 2020. In so doing, the Directors ensure that:

- Proper accounting are kept which disclose with reasonable accuracy, the financial position of the company and which ensure that Financial Statements comply with the requirements for the Companies and Allied Matters Act, 2020;
- Appropriate internal control procedures are established which, as far as is reasonably possible, safeguard the assets of the company, prevent and detect fraud and other irregularities.
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted, consistently applied and supported by reasonable judgements and estimates; and
- The financial statements are prepared on a going concern basis, unless it is presumed that the Company will not continue in business.

Directors' Report (Cont'd)

7. Board committees In alignment with extant codes of corporate governance, the Board Finance & General-Purpose Committee, Board Establishment, Remuneration & Governance Committee and Board Audit, Strategy & Risk Management Committee were in operation as at 31 December 2024. The Board worked through these Committees, all of which were guided by Charters containing their terms of reference. The terms of reference of the Committees are summarized below, in addition to the record of directors' attendance

Board Committees – Terms of Reference/ Attendance at Meetings

Finance & General Purposes Committee:

The responsibilities of the committee are to:

- 1 Consider and review the Company's financial performance, including significant capital allocations and expenditures.
- 2 Review debts owed to the Company and recovery efforts made by Management
- 3 Review management accounts, forecasts and other financial statements.
- 4 Consider and review reports from the Management on stock of raw materials and finished products and strategies to keep these within approved limits
- 5 Review, endorse and recommend for Board approval, the establishment and review of investment policy and procedure.
- 6 Consider and review reports on the Company's investments and ensure that all investment activities are guided by the investment policy.
- 7 Oversee the administration, effectiveness and compliance with the Company's investment policies through the review of the processes and report to the Board on recommendations of the Management on placement proposals.
- 8 Consider and review the annual budget and ensure that expenditure is within the approved budget
- 9 Recommend for Board approval, the dividend policy, including nature and timing..
- 10 Ensure that an effective tax policy is implemented
- 11 Handle other duties and responsibilities delegated to the Committee by the Board.

The schedule of attendance at the meetings of the Committee for the year is detailed below:

| S/N | Name | 16-Jan-24 | 14-Mar-24 | 23-Apr-24 | 12-Jul-24 | 11-Oct-24 | 19-Nov-24 | No. (6) |
|-----|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| 1 | Mr. Adekunle Olowokande (Chair) | P | P | P | P | P | P | 6 |
| 2 | Mr. Raj Mangtani | P | P | P | P | P | P | 6 |
| 3 | Mrs. Aisha Umar | P | P | P | P | A | P | 5 |
| 4 | Mrs. Alaba Fagun | P | P | P | P | P | P | 6 |

P - Present A - Apology

Establishment, Remuneration & Governance Committee: The responsibilities of the committee are:

- 1 Review and recommend to the Board for approval, proposals on recruitment, promotion and employment termination of senior officers on Manager grade and above;
- 2 Consider and make recommendations to the Board for approval of disciplinary action to be carried out against senior officers from Manager grade and above;
- 3 Consider and make recommendations to the Board for approval on the organizational structure, remuneration policy and policies covering the evaluation compensation and provision of benefits to employees and any other human capital issues;
- 4 Consider and make recommendations to the Board for approval on the Company's policy on Health and Safety at work and any proposed amendments;
- 5 Consider and make recommendations to the Board for approval on the Company's human resource strategies and compensation Policy.
- 6 Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- 7 Assess the effectiveness of the corporate governance framework.
- 8 Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other Committee operational matters.
9. Consider and make recommendations to the Board on appointment and re-election of directors (including the CEO).
- 10 Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
- 11 Ensure the Board composition includes at least one-third of the total number of it's Non executive directors as Independent Directors
- 12 Ensure that new directors receive a formal induction program to familiarize them with BPN's business, strategy and operations, enhance the discharge of their fiduciary duties, responsibilities, and understand their powers and potential liabilities.
- 13 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 14 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.

■ Directors' Report (Cont'd)

- 15 Review and make recommendations to the Board for approval of the terms and conditions of employment of Company's staff, its staff handbook and any proposed amendment.
- 16 Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO.
- 17 Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.

The schedule of attendance at the meetings of the Committee for the year is detailed below:

| S/N | Name | 11-Jan-24 | 12-Apr-24 | 10-Jul-24 | 09-Oct-24 | No. (4) |
|-----|------------------------------|-----------|-----------|-----------|-----------|---------|
| 1 | Mrs. Erejuwa Gbadebo (Chair) | P | P | P | P | 4 |
| 2 | Dr. Ogechi Iheanacho | P | P | P | P | 4 |
| 3 | Mrs. Aisha Umar | P | P | P | A | 3 |
| 4 | Mr. Raj Mangtani | A | P | P | P | 3 |

P – Present, A – Apology

Audit, Strategy & Risk Management Committee: The responsibilities of the committee are to:

- 1 Review the audited and unaudited accounts of the Company. It is also responsible for overseeing the Company's long-term strategy and risks
- 2 Consider reports from the Internal Auditor and making recommendations to the Board on the internal control framework.
- 3 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 4 Consider the viability of all major strategic initiatives and investments.
- 5 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 6 Consider the viability of all major strategic initiatives and investments.
- 7 Monitor changes and trends in the business environment.
- 8 Review the adequacy and effectiveness of risk management and controls
- 9 Evaluate and Assess the Company's risk management framework, including Management's process for the identification, prevention and reporting of significant risks.
- 10 Review the Company's compliance level with laws and regulatory requirements that may impact the Company's risk profile.
- 11 Review the policy framework and ensure that the appropriate policies are in place.
- 12 To drive engagements with key stakeholders
- 13 Perform such other duties and responsibilities delegated to the Committee by the Board.
- 14 Develop the Company's Corporate Social Responsibility policy.
- 15 Constructively challenge Management's assumptions and contribute to the development of the Group's strategy and performance objectives.
- 16 Understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the Company's strategic thrusts.
- 17 Arrange an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of BPN's businesses in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises.
- 18 Review the resources made available by Management including business plans and financial, operational and human resources required to implement the agreed strategy.
- 19 Critically evaluate and make recommendations to the Board for approval of BPN's business strategy, at least annually.
- 20 Periodically engage Management on informal dialogue and act as a sounding Board on strategic issues.
- 21 Regularly review strategic planning and implementation monitoring process.
- 22 Review and make recommendations to the Board for the approval of the Group's organizational structure and any proposed amendments.

■ Directors' Report (Cont'd)

The The Schedule of attendance at the meetings of the Committee for the year isdetailed below:

| S/N | Name | 17-Jan-24 | 22-Mar-24 | 16-Jul-24 | 17-Oct-23 | No. (4) |
|-----|-------------------------|-----------|-----------|-----------|-----------|---------|
| 1 | Dr. Ogechi Iheanacho | P | P | P | P | 4 |
| 2 | Mr. Adekunle Olowokande | P | P | P | P | 4 |
| 3 | Mrs. Erejuwa Gbadebo | P | P | P | P | 4 |

P – Present

8. Statutory Audit committee

Within the year under review, the Audit Committee comprised of two non-executive directors and three (3) shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 404 of the Companies and Allied Matters Act (CAMA), 2020, reviewed the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members had direct access to both the Internal Auditors and the. External Auditors. The Committee met five (5) times in 2024 as detailed below.

The schedule of attendance at the meetings of the Committee for the year are detailed below:

| S/N | Name | 19-Mar-24 | 26-Mar-24 | 19-Jul-24 | 18-Oct-24 | 06-Dec-24 | No. (5) |
|-----|-----------------------------|-----------|-----------|-----------|-----------|-----------|---------|
| 1 | Mr. Chibuzor Eke (Chairman) | P | P | P | P | P | 5 |
| 2 | Mrs. Mary Shofolahan | P | P | P | P | P | 5 |
| 3 | Mr. Taiwo Afinju | P | P | P | P | P | 5 |
| 4 | Dr. Ogechi Iheanacho | P | P | P | P | P | 5 |
| 5 | Mr. Adekunle Olowokande | P | P | P | P | P | 5 |

P - Present

9. Donations and gifts

In compliance with Section 43 (2) of the Companies & Allied Matters Act (CAMA), 2020, the Company did not make any donations to any political party, political association or for anypolitical purpose during the year under review (2023: Nil). Donations made during the year amounted to ₦1,138,740 (2023: ₦1,046,858.39) as shown below:

| Beneficiary | Purpose | Amount |
|--------------------------------|--|------------------|
| Area F Police Station | Exterior Painting of Area F Police Station o | 595,429 |
| Agege Market women Association | Health care intervention | 368,000 |
| Adeola Azeez Foundation | Painting of Ogbo community Sec. Sch | 175,312 |
| Total | | 1,138,740 |

10. Quality policy and innovation

Berger Paints Nigeria Plc remains a forward-looking organization, which places premium on quality products. The Company is committed to improving quality through the use of identified processes, which are constantly monitored to meet approved international and local standards. These carefully monitored processes make it imperative that only high-quality paints are produced and marketed by the Company. In recognition of the above, the Company was awarded the latest International Standard Certification ISO 9001:2015.

11. Risk management policy

There is an effective internal audit function, in addition to which the risk management control and compliance system operates efficiently. An Enterprise Risk Management Framework has been approved by the Board and implemented by Management. The objectives of the Company's risk management policy are;

- Maximise the benefit from new opportunities, challenges and initiatives;
- Avoid damage to our reputation;
- Take appropriate risks for appropriate return while improving shareholders' value;
- Prioritising effectively between different risks;
- Demonstrate good corporate governance by managing our risks effectively.

■ ■ Directors' Report (Cont'd)

12. Safety and environment policy Health & Safety

The safety of our employees is a priority. The Company has taken every precaution to provide a safe workplace and there is a zero tolerance policy for workplace violence. Our operations and procedures are regularly certified by both state and federal regulatory agencies. Accidents are investigated, and corrective actions put in place to forestall future occurrences.

The Company has developed a number of policies to promote safety and minimize accidents in the workplace, and it ensures the safety of its staff and visitors through various means including:

- Ensuring that plant equipment are adequately maintained to prevent accidents.
- Using up to date methods to control hazards inherent in our operations.
- Providing personal protective equipment and enforcing its usage
- Ensuring that safe work procedures are followed
- Ensuring that jobs are awarded only to contractors with laudable safety performances
- Ensuring that the working environment is clean, tidy and conducive
- Implementing an effective emergency management program so as to minimize adverse impact on human and the environment, in case of emergencies; and
- Continuously training employees to create safety consciousness.

Sustainability

Part of the fulfilment of our environmental friendliness practice is to conduct a periodic environmental audit to monitor the significant environmental aspects of our operations and put in place controls that will minimize or eliminate their adverse impact on the environment. The Company also complies with all environmental laws and strives to minimize environmental impact associated with our activities through:

- The use of modern technology and expertise to reduce environmental pollution
- Conservation of resources in a cost effective manner
- The proper disposal or recycle of waste; and
- The assessment of the adverse impact of our raw materials or new products on both humans and the environment.

Wellbeing, diversity and other human resource policies

The Company's policy on managing diversity recognises that there are differences among employees and that harnessing these differences create a productive environment in which everyone feels valued, their talents utilised and organisational goals met. We have also created an enabling environment where patterns of thinking are nurtured as a way of developing our employees as agents of change. Berger Paints Nigeria Plc. is committed to providing employment for people with physical challenges who are able to work. As at the end of the year, there was no physically challenged person in the employment of Berger Paints Nigeria Plc (2023: Nil).

In the year under review, the Company has also taken steps to comply with the Discrimination Against Persons with Disabilities (Prohibition) Act of 2018 by implementing inclusive measures such as designated parking spots, mobile stair ramps, designated toilet spaces, and ease of door control systems, among others. Moving forward, we are committed to further enhancing our compliance with the Disabilities Act to create a more inclusive workplace environment.

We also have a policy on HIV/AIDS and other serious diseases which aims to reassure employees that AIDS is not spread through casual contact during normal work practices and also to reduce unrealistic fears about contacting the certain diseases in the work place.

Partnership, representation and dialogue are encouraged through staff associations. Our Talent Management Policy and the Technical Sales Trainee Scheme are examples of a commitment to continuous development of the skills and abilities of employees in order to maximize their contribution.

The Company is fully compliant with the provisions of the revised Pension Reform Act, 2014. Berger Paints staff enjoy highly subsidized meals served in a hygienically maintained canteen. The Company believes that productivity emanates from a healthy mind in a healthy body.

13. Berger Business Partners

The Company has numerous business partners and dealers all over the country who have contributed to the turnover and to whom the Company remains grateful. Our Berger Business Partners are detailed in the Annual Report.

Suppliers

Overseas: The bulk of overseas purchases of raw materials were made from:

- 1 ACP Chemicals
- 2 Tawazon Chemical
- 3 Transmare Chemie

■ ■ Directors' Report (Cont'd)

Local: In addition, local purchases were made from the following indigenous

- | | |
|---------------------------------------|-----------------------------------|
| 1 Asharami Synergy Plc | 18 GMAS Chemicals Nigeria |
| 2 Atbaron Nigeria Enterprises | 19 Kempfarm Ltd |
| 3 Avon Crowncaps And Containers Nig. | 20 Lexcel Products and |
| 4 Brenntag Chemicals Nigeria Ltd | 21 Melvyn Nickson Nigeria |
| 5 Chanco Impex Ltd | 22 Metcem Limited |
| 6 Chizzy Nigeria Ltd | 23 Metoxide (Nigeria) Ltd |
| 7 Cormat Nigeria Ltd. | 24 Nagode Industries Ltd |
| 8 C-Pin Industries Ltd | 25 Nycil Ltd |
| 9 Danel Nigeria Ltd. | 26 Parco Enterprises Nigeria |
| 10 Dlad Holdings Ltd | 27 Rama Industries Ltd |
| 11 Don Colors Chemicals | 28 Robinson Ventures Ltd. |
| 12 Edic Chemicals | 29 Samking Chemicals |
| 13 Eurochemco Chemicals | 30 SCN Colours |
| 14 Falcon Chemicals Ltd | 31 Sunbeth Oil |
| 15 Geeta Plastic Products Nigeria Ltd | 32 Trisa Nig. Ltd |
| 16 Glistar Success Ltd | 33 Wahum Pkg Ltd |
| 17 Global-Chem | 34. WTEX Industries (Nigeria) Ltd |

14. Independent Auditor

The firm of PKF Professional Services was appointed as auditors on 22 November 2023 and has indicated their willingness to continue their tenure in office as independent auditors to the Company. In accordance with section 401(2) of the Companies and Allied Matters Act (CAMA), 2020 therefore, the auditors will be reappointed at the next annual general meeting of the Company without any resolution being passed.

15. Compliance with regulatory requirements & Company policies

The Company in the year under review did not contravene the rules of any of the regulatory authorities and did not receive any sanctions. The Company has adopted a policy regulating the procedure for handling shareholders' complaints, as well as a policy on trading in the Company's shares. These can be found on the Company's website at www.bergerpaintsnig.com.

16. Responsibility for Accuracy of Information

Pursuant to Article 2.2.4 of the Amended Listing Rules 2015 of the Nigerian Stock Exchange, the directors accept responsibility for the accuracy of the information contained in this report.

17. Subsequent Events

Other than as disclosed in Note 33 there were no other significant events that could have had a material effect on the financial statements as at 31 December 2024.

BY ORDER OF THE BOARD



Omolara Bello
Company Secretary/Legal Adviser
FRC/2019/NBA/00000019782
102 Oba Akran Avenue,
Ikeja, Lagos State.

Corporate Governance Report

For the year ended 31 December 2024

Berger Paints Nigeria Plc. (BPN) maintains the highest standards of Corporate Governance and best practices within the paints manufacturing industry. The Board of Directors ensures that best governance practices and ethical dealings are distilled across the company's operations and business hierarchy by demonstrating the appropriate 'tone at the top' in its approach to governance.

Compliance with Codes of Corporate Governance

During the period under review, the Directors, Management Team, and employees complied with the Securities and Exchange Commission (SEC) issued Code of Corporate Governance for public companies, the Nigerian Code of Corporate Governance (NCCG) 2018, Rulebook and Listing Rules of the Nigerian Exchange Limited.

Shareholding

BPN has a diverse shareholding structure with no single ultimate individual shareholder holding up to 20% of the Company's total shares.

Board of Directors

The Board is responsible for the oversight of the business, risks, long-term strategy, and objectives, while evaluating and directing the implementation of Company controls and procedures including, in particular, maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets.

It also ensures that good Corporate Governance processes and best practices are implemented.

The Board is comprised of persons of diverse discipline and skills, chosen on the basis of professional background and expertise, business experience and integrity as well as knowledge of BPN's business. Directors are fully abreast of their responsibilities and knowledgeable in the business and are therefore able to exercise good judgment on issues.

The Board and Board Committees have respective Charters regulating their operations. Each board committee, through its charters, ensures adequate systems; policies, and procedures that are put in place to safeguard the assets and investment of the company

Board Composition

The Board is currently made up of a Non-Executive Chairman, three (3) Non-Executive Directors, two (2) Independent Non-Executive Directors and one (1) Executive Director who is the Group Managing Director/CEO.

The GMD/CEO is responsible for the day-to-day running of the Company assisted by the Management Committee.

The members of the Board are free from any restraints which may influence them from performing their duties as required of them by law.

Distinct roles of Chairman and Chief Executive

In conformance with good corporate governance practices, the roles of the Chairman and Chief Executive are separate and not combined in one individual. The Chairman provides leadership to the Board to ensure that it operates effectively. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Directors.

On the other hand, the Group Managing Director/Chief Executive Officer, is responsible for the day-to-day management of the business. Nonetheless, the Board regularly reviews the Company's financial performance, matters of strategic concern, and any other matter it regards as material.

Induction and continuous training

Upon appointment to the Board, Directors receive an induction tailored to meet their individual requirements. The induction, which may include meetings with senior management and operations staff, is designed to assist Directors in acquiring a detailed understanding of the Company's operations by conducting them round the company's operating facilities. This includes but is not limited to an insight into how much priority has been placed on health and safety by the company, to introduce them to their fiduciary duties and responsibilities, amongst others.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors to enhance their performance on the Board and the various Committees to which they belong.

The Board Establishment, Remuneration, and Governance Committee is responsible for developing continuing education programs to ensure that directors stay updated and conversant with industry requirements, corporate governance practices, and the company's business and objectives.

Corporate Governance Report (Cont'd)

For the year ended 31 December 2024

Performance evaluation process

A formal assessment process is carried out by the Board Establishment, Remuneration and Governance Committee, to assess the performance of individual members of the board, its committees, and the board as a whole, this enables the committee to ensure their effectiveness and productivity and to identify areas of improvement. Report of the evaluation exercise is made to the full board and recommendations on re-appointment of directors are made based on the report.

Director Remuneration Policy

The Company's Director Remuneration policy is structured taking into account the environment in which it operates and the prevailing industry standard. It includes the following elements:

- Non-Executive Directors

The Company's policy on remuneration of Non-Executive Directors is guided by the provision of the SEC and NCCG Codes which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees, and reimbursable expenses.

Directors may also be sponsored for training programs that may enhance their duties to the Company.

- Executive Directors/Senior Management

The remuneration policy for Executive Directors considers various elements, including the following:

- Fixed remuneration, taking into account the competitiveness of remuneration paid for equivalent posts in similar manufacturing companies in Nigeria.
- Variable annual remuneration subject to achieving specific quantifiable targets.

Whistle Blowing Procedure

The Company has a whistle-blowing procedure that ensures anonymity for whistle-blowers. The Company has contact details on its website, provided for the purpose of whistle-blowing. All reports are investigated and necessary sanctions are applied for breaches.

Regulatory Infractions

For the 2024 financial year, no regulatory infraction was recorded.

Communication with Stakeholders

The Company ensures open communication with stakeholders and major developments are constantly and immediately disclosed to the market and stakeholders through the Issuers Portal of the Nigerian Exchange Limited.

The Company also ensures that complaints received from shareholders are dealt with promptly with the assistance of the Company's Registrars and details entered into the company's electronic complaint management register.

Access to Independent Professional Advice

The Board is authorized to act at the company's expense and, obtain independent/professional advice from expert as required in the discharge of their responsibilities subject to due approvals. This option was exercised at different times during the 2024 financial year.

Corporate Governance Report (Cont'd)

For the year ended 31 December 2024

Finance & General Purpose Committee:

The Finance and General Purpose Committee is primarily tasked with the responsibility of making recommendations to the Board on the Company's overall financial performance, capital and operating expenditures, investments proposal and placement of funds proposals as referred to it by the Management Committee.

More specifically, some of the Committee's responsibilities as outlined in its Charter are to:

Responsibilities of the Committee

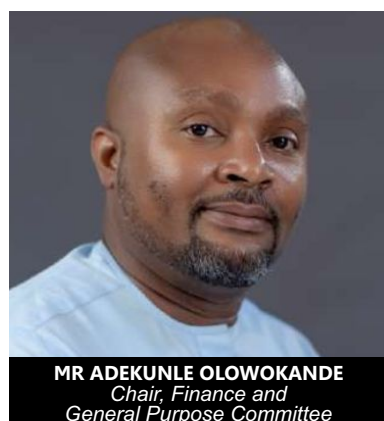
- Consider and review the Company's financial performance, including significant capital allocations and expenditures.
- Review debts owed to the Company and recovery efforts made by Management.
- Review management accounts, forecasts and other financial statements.
- Consider and review reports from the Management on stock of raw materials and finished products and strategies to keep these within approved limits.
- Review, endorse and recommend for Board approval, the establishment and review of investment policy and procedure.
- Consider and review reports on the Company's investments and ensure that all investment activities are guided by the investment policy.
- Oversee the administration, effectiveness and compliance with the company's investment policies through the review of the processes and report to the Board on recommendations of the Management on placement proposals.
- Consider and review the annual budget and ensure that expenditure is within the approved budget.
- Recommend the dividend policy, including nature and timing.
- Ensure that an effective tax policy is implemented.
- Handle other duties and responsibilities delegated to the Committee by the Board.

Composition

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members with balanced views, knowledge of credit, investment, finance, and general management or entrepreneurial experience with at least one (1) member possessing deep knowledge of finance and investment matters.

Specifically, the Committee members shall be consisted of the following:

- The Group Managing Director and/or an Executive Director
- At least two Non-Executive Directors



Corporate Governance Report (Cont'd)

For the year ended 31 December 2024

Establishment, Remuneration & Governance Committee:

The Establishment, Remuneration & Governance Committee is tasked with the responsibility of making recommendations to the Board on recruitment, compensation, benefits, promotions, and disciplinary issues affecting senior officers of the company on Manager grade and above.

The Committee also considers the nomination of new directors to the Board, succession planning for key positions on the Board and Management, training of directors, recommending director's remuneration, and overseeing board performance. Additionally, the Committee oversees the development of an appropriate corporate governance framework for the Company and ensures compliance with extant Codes of corporate governance.

Specifically, some of the Committee's responsibilities as outlined in its Charter are as follows:

Responsibilities of the Committee

- Review the recruitment, promotion, employment, and termination of senior officers on Manager grade and above;
- Consider disciplinary action to be carried out against senior officers from Manager grade and above;
- Review organizational structure, remuneration policy, and policies covering the evaluation, compensation, and provision of benefits to employees and any other human capital issues;
- Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- Oversee compliance with the corporate governance framework.
- Review of composition and the experience required by Board Committee members, Committee appointments and removal, operating structure, reporting, and other Committee operational matters.
- Consider and make recommendations to the Board on the appointment and re-election of directors (including the CEO).
- Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement, and other relevant details.
- Ensure the Board composition includes at least one (1) independent director.
- Ensure that new directors receive a formal induction program.
- Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- Ensure adequate succession planning for the Board of Directors and key management staff in BPN.
- Review and make recommendations to the Board for approval of the terms and conditions of employment of the company's staff, its staff handbook, and any proposed amendment.
- Nominate independent consultants to conduct an annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role, and evaluation of management performance and stewardship to shareholders.

Composition

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members with good knowledge of Governance and at least one member with Human Resources Experience.

Specifically, the composition shall include:

- One Independent Non-Executive Director who shall be the Chairman of the Committee; and
- At least two Non-Executive Directors.

The Managing Director or Executive Director (s) are precluded from being members of this Committee but may be invited to attend from time to time.



MRS. EREJUWA GBADEBO
Chair, Establishment Remuneration
& Governance Committee

Corporate Governance Report (Cont'd)

For the year ended 31 December 2024

Board Audit, Strategy & Risk Management Committee:

The Board Audit, Strategy & Risk Management Committee is tasked with the responsibility of making recommendations to the Board on the Company's long term strategy, risks, and opportunities relating to the strategy, identification, evaluation and mitigation of risks and monitoring of the strategy and risk management framework of the Company.

Some of the Committee's specific responsibilities shall be to:

Responsibilities of the Committee

- Review and monitor the Company's strategic plan, initiatives and investments.
- Monitor changes and trends in the business environment.
- Review the adequacy and effectiveness of risk management and controls.
- Evaluate and Assess the Company's risk management framework, including Management's process for the identification, prevention and reporting of significant risks.
- Review the Company's compliance level with laws and regulatory requirements that may impact the company's risk profile.
- Review the policy framework and ensure that the appropriate policies are in place.
- Develop the Company's Corporate Social Responsibility policy.
- Understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the Company's strategic thrusts.
- Arrange an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of BPN's businesses in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises.
- Review the resources made available by Management including business plans and financial, operational, and human resources required to implement the agreed strategy.
- Regularly review strategic planning and implementation monitoring process.

Composition of the Committee

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members representing balanced views, knowledge of Risk Management, and Strategic Planning experience. At least one (1) member should possess deep knowledge of Risk Management and Strategic Planning matters.

Specifically, the composition shall include:

- An Independent Non-Executive Director
- At least two Non-Executive Directors.



Corporate Governance Report (Cont'd)

For the year ended 31 December 2024

Statutory Audit Committee

In accordance with the provisions of section 404 (4) of the Companies and Allied Matters Act, 2020 (CAMA 2020), all public companies are mandated to have Statutory Audit Committees (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Responsibilities of the Committee

The Committee, guided by Section 404 (6) of CAMA 2020, reviews the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members have direct access to both the Internal Auditors and the External Auditors.

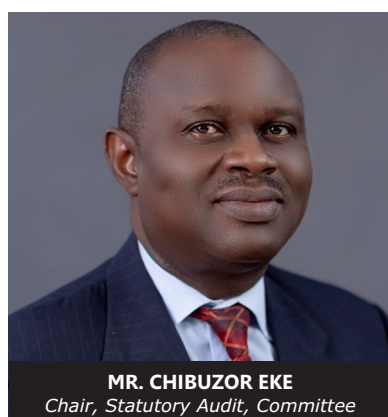
In line with the provisions of CAMA, the Committee's responsibilities shall be to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical policies.
- Review the scope and planning of audit by the external auditors including identified risk areas, relevance of audit plan to audit approach, and reporting timetable.
- Review the effectiveness of the Company's system of accounting and internal control.
- Review the statutory auditors' management letter and ensure the adequacy of the Management's response;
- Make recommendations to the Board with regard to the appointment, removal and remuneration of the statutory auditors of the Company;
- Authorize the internal auditor to carry out an investigation into any activities of the Company which may be of interest or concern to the Committee;
- Review the integrity of the Company's financial reporting and oversee the independence and objectivity of the external auditors; and
- All such other matters as are reserved to the Audit Committee by CAMA 2020 and the provisions of the SEC Code of Corporate Governance.

Composition

The composition is guided by CAMA which stipulates that the Committee shall have three (3) Shareholder Representatives and two (2) Non-Executive Directors. The Code of Corporate Governance of the Securities and Exchange Commission indicates that some of the members of the Audit Committee should have basic financial literacy and be knowledgeable in internal control processes.

The membership of the Committee is subject to shareholder approval annually



MR. CHIBUZOR EKE
Chair, Statutory Audit, Committee



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Statement of Compliance with Regulations

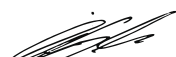
STATEMENT OF COMPLIANCE WITH THE NIGERIAN EXCHANGE LIMITED (NGX) LISTING RULES ON SECURITIES TRADING POLICY

In line with Section 14.4 of the Nigerian Exchange Limited (NGX) Amendments to the Listing Rules (Rules), we wish to state that Berger Paints Nigeria Plc (BPN) has adopted a code of conduct regarding securities transactions by our directors and it is in line with the required standard set out in the NGX Rules.

Having made specific enquiry of all our directors regarding compliance with BPN's Securities Trading Policy (Policy), we hereby confirm to the best of our knowledge that our Board of Directors are compliant with the Policy and NGX Rules on Securities Trading.



Omolara Bello
FRC/2019/NBA/00000019782
Company Secretary/Legal Adviser



Abi Ayida
FRC/2019/IODN/00000019260
Chairman

STATEMENT OF COMPLIANCE WITH THE SEC CODE OF CORPORATE GOVERNANCE

In compliance with Section 34.7 of the SEC Code of Corporate Governance (SEC Code), we hereby confirm to the best of our knowledge that Berger Paints Nigeria Plc. is in full compliance with the Code. We also confirm as follows:

1. Internal Audit functions exist in the company. Similarly, risk management and compliance systems are operating efficiently and effectively in all respects.
2. This report contains a report on the company's sustainability initiatives as required under Section 28, Part D of the SEC Code.
3. Details and nature of related party transactions, are being monitored and included in the Audited Financial Statements contained in the Annual Report.



Omolara Bello
FRC/2019/NBA/00000019782
Company Secretary/Legal Adviser



Abi Ayida
FRC/2019/IODN/00000019260
Chairman

Statement of Directors' Responsibilities

For the Preparation and Approval of the Consolidated and Separate Financial Statements
For the year ended 31 December 2024

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in compliance with the IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

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

Signed on behalf of the Board of Directors by:



Abi Ayida

Chairman

FRC/2019/IODN/00000019260

Date: March 28, 2025



Adekunle Olowokande

Director

FRC/2019/IODN/00000019259

Date: March 28, 2025

Statement of Corporate Responsibility

For the Consolidated and Separate Financial Statements for the year ended 31 December 2024

Further to the provisions of section 405 of the CAMA 2020, we, the Managing Director and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2024 as follows:

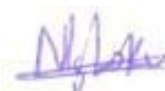
- a) That we have reviewed the audited consolidated and separate financial statements of Berger Paints Nigeria Plc (the "Company") and its subsidiary (together, "the Group") for the year ended 31 December 2024.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statement misleading, in light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other audited financial information included in the statements present fairly, in all material respects, the financial conditions and results of operation of the Group and Company as of and for, the year ended 31 December 2024.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to us by other officers of the Company during the year ended 31 December, 2024.
- e) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation. including any corrective action with regard to significant deficiencies and material weaknesses.
- f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect the Group and Company's ability to record, process, summarize and report financial data.
 - ii) There is no fraud that involves management or other employees who have significant role in the Group's internal control.

Signed on behalf of the company by:



Alaba Fagun
Group Managing Director
FRC/2023/PRO/DIR/003/234540

Dated: March 28, 2025



Nkechi Ojeyokan
Chief Financial Officer
FRC/2021/001/00000022533

Dated: March 28, 2025

Management's Report on the Effectiveness

of Internal Control over Financial Reporting as of 31 December 2024

The management of Berger Paints Nigeria Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange (SEC) Act, 2007 and the Financial Reporting Council Act, 2023 (as amended).

The management of Berger Paints Nigeria Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiary (together "the Group") as of 31 December 2024 using the criteria set forth by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Section 60 to 63 of Investments and Securities Act 2007.

As of 31 December, 2024, the management of Berger Paints Nigeria Plc did not identify any material weakness in its assessment of the internal control over financial reporting. As a result, management has concluded that as of 31 December 2024, the Group's internal control over financial reporting was effective.

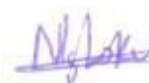
Berger Paints Nigeria Plc independent auditor, PKF Professional Services who audited the consolidated and separate financial statements included in the Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December, 2024 based on the limited assurance engagement performed by them. PKF Professional Services' limited assurance report appears on pages **69-70 of the Annual Report**.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred after the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect the Group's internal control over financial reporting.



Alaba Fagun
Group Managing Director
FRC/2023/PRO/DIR/003/234540
Dated: March 28, 2025



Nkechi Ojeyokan
Chief Financial Officer
FRC/2021/001/00000022533
Dated: March 28, 2025

Certification of Management's Assessment of Internal Control over Financial Reporting

We, Alaba Fagun and Nkechi Ojeyokan certify that:

- a) We have reviewed the 2024 Annual Financial Statements of Berger Paints Nigeria Plc ('the Company') and its subsidiary (together "the Group")
- b) Based on our knowledge, the 2024 Annual Financial Statements of Berger Paints Nigeria Plc does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group and the Company as of 31 December 2024, presented in this report;
- d) Berger Paints Nigeria Plc certifying officers:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) 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 Berger Paints Nigeria Plc, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) 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;
 - iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the date of the financial statements and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December, 2024 covered by this report based on such evaluation.
- e) Berger Paints Nigeria Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (PKF Professional Services) and the audit committee that;
 - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect Berger Paints Nigeria Plc's ability to record, process, summarize and report financial information; and
 - ii) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) Berger Paints Nigeria Plc certifying officers 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 deficiencies noted.



Alaba Fagun
Group Managing Director
FRC/2023/PRO/DIR/003/234540

Dated: March 28, 2025



Nkechi Ojeyokan
Chief Financial Officer
FRC/2021/001/00000022533

Dated: March 28, 2025

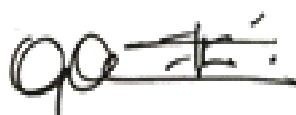
Report of the Board Audit, Strategy and Risk Management Committee (BASRMC)

In compliance with the provision of principle 11.4.7 of the Nigerian Corporate Governance Guidelines 2018 (Guidelines), we, the members of the Board Audit Strategy and Risk Management Committee of Berger Paints Nigeria Plc., having carried out our audit oversight functions as provided in the Guideline hereby reports that:

1. A comprehensive internal control framework was developed for the Company,
2. The Committee maintained the exercise of oversight over the internal audit function of the Company.
3. The Committee ensured the design and operating effectiveness of the Company's internal controls over the financial reporting systems.
4. The Committee oversaw the process for the identification of fraud risks across the Company and ensured that adequate prevention, detection, and reporting mechanisms were in place;
5. The Committee discussed the interim and annual audited financial statements as well as significant financial reporting findings and recommendations with Management and external auditors prior to recommending same to the Board for considerations and appropriate action;
6. The Committee maintained oversight of financial and non-financial Reporting;
7. The Committee reviewed and ensured that adequate whistle-blowing policies and procedures are in place and the issues reported through the whistle-blowing mechanism were summarised and presented to the Board;
8. The Committee reviewed with the external auditors, any audit scope limitations or significant matters encountered and Management's responses to same;
9. The Committee ensured the implementation of the policy on the nature, extent, and terms under which the external auditors may perform non-audit services;
10. The independence of the external auditors was preserved and no non-audit services were engaged;
11. The Committee monitored Management's implementation of the Related Party Transactions Policy;
12. At least once during the year, the Committee held a discussion with the head of internal audit function and the external auditors without the presence of the Management, to facilitate an exchange of views and concerns that may not be appropriate for open discussion.



Omolara Bello
FRC/2019/NBA/00000019782
Company Secretary/Legal Adviser



Dr. Ogechi Iheanacho
FRC/2023/PRO/DIR/003/811786
Chair, BASRMC



CORPORATE SERVICES LIMITED

4th April 2025

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF BERGER PAINTS NIGERIA PLC FOR THE FINANCIAL YEAR-ENDED 31ST DECEMBER 2024

DCSL Corporate Services Limited (DCSL) was engaged by Berger Paints Nigeria Plc ("the Company") to conduct an evaluation of the performance of the Board of Directors for the financial year-ended December 31, 2024. This assessment was carried out pursuant to **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG Code")**, the **Securities and Exchange Commission Corporate Governance Guidelines 2020 (SCGG)** and the **Companies and Allied Matters Act 2020 (CAMA)**, as well as global best practices on Corporate Governance.

The evaluation involved a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other relevant documents provided to us. Additionally, we administered questionnaires to Directors to assess compliance with relevant corporate governance principles and evaluate the Board's performance. The Company's corporate governance structures, policies and processes were benchmarked against the provisions of the SCGG and NCCG as well as global Best Practices, focusing on the following seven (7) key corporate governance themes:

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

Our review of the Company's corporate governance practices and procedures confirm that the Board remains committed to upholding strong governance standards, demonstrating adherence to the principles outlined in the SCGG, the NCCG, as well as applicable laws, regulations, and international best practices on corporate governance. We are confident that the Board is committed to setting the pace for the observance of the highest ethical standards and transparency in the conduct of the Company's business.

We have proffered recommendations to address the areas requiring improvement and are satisfied that the Board will take appropriate steps to implement these.

Yours faithfully,

For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/PRO/DIR/003/00000002716

Directors: Abel O. Ajayi (Chairman) ~ Bisi Adeyemi (Managing Director) ~ Adeniyi Obe ~ Dr Anino Emuwa ~ Lekan Belo ~ Anne Agbo (Executive Director)

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Tel: +234 (1) 271 7816-7/(0)809 038 1864

Abuja Office
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Central Business District, Abuja, Nigeria

RC NO: 352393

✉ info@dcs.com.ng
🌐 www.dcs.com.ng

Report of the Audit Committee

In compliance with the provisions of Section 404 (4) of the Companies and Allied Matters Act, 2020 (Act), we, the members of the Audit Committee of Berger Paints Nigeria Plc., having carried out our statutory functions under the Act hereby report that:

1. The scope and planning of both the external and internal audit programs for the year ended 31 December, 2024 were adequate in our opinion.
2. The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
3. The systems of internal control were constantly and effectively monitored.
4. Having reviewed the External Auditors' findings and recommendations on Management matters, we are satisfied with Managements' response thereon.

Finally, we acknowledge the cooperation of Management in the conduct of these duties.
The members of the Audit Committee for the 2024 financial year were:

| SN | Members of the Committee | | |
|----|---------------------------|---|-------------------------------------|
| 1 | Mr. Chibuzor Eke | - | Shareholder Representative/Chairman |
| 2 | Mrs. Mary Joke Shofolahan | - | Shareholder Representative/Member |
| 3 | Mr. Taiwo Afinju | - | Shareholder Representative/Member |
| 4 | Dr. Ogechi Iheanacho | - | Non-Executive Director/Member |
| 5 | Mr. Adekunle Olowokande | - | Non-Executive Director/Member |

The Company Secretary /Legal Adviser, Omolara Bello served as the Secretary to the Committee.

Dated March 25, 2025



Mr. Chibuzor Eke
Chairman, Audit Committee
FRC/2013/PRO/AUDITCOM/002/00000004670

2024 Sustainability Report

Introduction

Berger paints Nigeria Plc (BPN) is committed to initiatives that promote the UN Sustainable Development Goals. In line with section 302 (3) of the CAMA 2020 and Principle 26 of the Nigerian SEC Corporate Governance Guidelines 2018 on sustainability, every company is expected to pay adequate attention to sustainability issues including the environment, social, occupational, and community health and safety. These issues have grown in significance and are crucial in ensuring successful long-term business performance along the principles of people, planet and prosperity ensuring sustainable development for our business, contributing to the communities in which we do business and safe manufacturing practices for the protection of our planet. Every individual irrespective of gender, religion, race, class or creed has a stake together and Berger Paints Nigeria Plc (BPN) identifies with this philosophy as we are committed to preserving the green future.

1. Environmental Sustainability

In line with the Sustainable Development Goals of the United Nations and resolutions passed at the Conference of Parties (Cop26), BPN is committed to fulfilment of environmentally friendly practice. As part of ways to achieve this, we conduct periodic environmental audits to monitor significant environmental aspects of our operations and put control measures in place to minimize and eliminate the adverse impact of our operations on the environment. As a company, we comply with all environmental laws and strive to minimise the environmental impact associated with our activities through our various sustainable practices:

- Periodic environmental audit to monitor the significant environmental aspects of our operations and putting in place controls that minimize or eliminate the adverse impact of our activities on the environment.
- BPN is still committed to championing a paperless work environment
- The use of suitably sized power generators for peak and off -peak periods that contribute to energy savings.
- BPN uses flow switch systems to minimize water wastage.
- Operating an automated water base factory.
- Proper treatment of effluents before appropriate dislodgement.

5 GENDER EQUALITY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



Our commitment to sustainable practices in our environment was also recognized by notable bodies through awards such as:

- Best Compliant Company in the Paint and Chemical Sector - Lagos Industrial Pollution Abatement Awards 2024.
- Best Kept Industrial premises in the small-scale industry – Manufacturers Association of Nigeria (MAN) Ikeja Awards 2024.

■ ■ 2024 Sustainability Report (Cont'd)



2. Health and Safety Policy

AT BPN, we prioritize the safety of our employees taking every precaution to provide a safe workplace with a zero-tolerance policy for workplace violence. Our procedures and operations undergo regular certification by both state and federal regulatory agencies. We have safety practices in place to ensure zero accidents but in the unfortunate instances that they occur, they are investigated, and corrective actions are put in place to forestall future occurrences.

We have developed a number of policies to minimise accidents in the workplace, and ensure the safety of staff and visitors within our premises through various means which include:

- Carrying out proper equipment maintenance to ensure they are in optimal conditions safe for use.
- Providing adequate PPEs to address associated risks within the operations.
- Enforcing compliance to safe work procedures.
- Proper safety orientation to vendors and appropriate sanctions for erring vendors.
- Commitment to a clean, tidy and conducive work place.
- Effective emergency management program to minimize the adverse impact of emergencies on humans and the environment.
- Creating a safety conscious workforce through consistent staff training.

BPN has a duration of 8 working hours per day and in 2024, we recorded a sterling occupational safety profile of zero fatality and zero environmental spills.

The company provides lunch for all employees on working days.



■ 2024 Sustainability Report (Cont'd)



3. Decent Work

At BPN, we have a robust policy on decent work to ensure fair and equitable terms and conditions of employment. We recognize that there are differences among employees and effectively harnessing these differences creates an environment where everyone feels valued leading to increased employee engagement and productivity to meet organisational goals; and this forms the basis of our policy on managing diversity.

Our Human Resources policy encourages equal opportunity encouraging equity, fair play, learning, quality of life and ethical operations among others. We do not permit any form of direct or indirect discrimination against any employee on the grounds of ethnicity, nationality, sex, sexual orientation, disability, marital status or age. We are committed to providing employment for physically challenged persons and we have taken steps to ensure the work environment meets the standards in line with the new disability act.

The principle of diversity is well appreciated and we have achieved a 50% female representation and the board and management leadership level. We encourage Partnership, Representation and Dialogue through staff associations. We provide a fully funded and comprehensive health policy that provides coverage to not only our employees but their dependents as well in line with approved Health Management Organizations (HMO). We also have an in-house clinic staffed by qualified personnel and also conduct regular health and wellness talks for employees.

For health-related matters outside the workplace, our staff are given the opportunity to choose a health provider nearest their residence, this is in compliance with the requirements of the National Health Insurance.

Activities carried out in 2024 to improve staff health, wellbeing and work experience include:

- International Women's Day staff engagement exercise
- Retirement preparedness sessions
- Health talk and immunizations; such as Hepatitis Immunization.
- Jog June; An initiative to drive employee wellness and fitness by encouraging exercise and taking more physical steps and improve collaboration through staff games.

2024 Sustainability Report (Cont'd)

- Independence Day Celebration
- Annual Unity Cup; a staff engagement activity fostering collaboration through exciting games and activities.

BPN is fully compliant with the provisions of the revised Pension Reform Act, 2014. Our staff also enjoy highly subsidised meals served in a hygienically maintained canteen.

In line with section 40 of the 1999 Constitution of the Federal Republic of Nigeria on the right to freedom of association, we accommodate the activities of Trade Unions and have achieved industrial harmony over time.

1 NO POVERTY



5 GENDER EQUALITY



4. Corporate Social Responsibility

BPN adheres to tenets of good corporate governance of which CSR plays a pivotal role.

At BPN, our CSR policy reflects our sense of responsibility towards various groups affected by our business operations; these groups include the community, society, customers, suppliers, employees, shareholders and the environment.

OBJECTIVES

The BPN Plc Corporate Social Responsibility (CSR) objectives are as follows:

- Conduct business in a socially responsible and ethical manner
- Protect the environment where BPN operates
- Ensure safety of staff/suppliers/vendors/partners/people
- Protect customers
- Support human rights
- Engage, respect and support host communities
- Support society and humanities

BPN CSR PILLARS

At Berger Paints Nigeria Plc, our Corporate Social Responsibility activities are along the following focus areas:

- Education
- Health
- Charities
- The Environment

Berger Paints Nigeria Plc commits a certain percentage (no less than 0.1%) of her annual Profit Before Tax (PBT) to various CSR projects based on the BPN CSR Pillars.

2024 Sustainability Report (Cont'd)

1. **Education** – We will actively seek educational advancement projects such school painting and beautification, volunteer teaching, support for teachers, building renovation, scholarship for students, factory excursion, painters' academy. This will cover professional and educational institutions. Other areas identified are as follows:
 - a. There are relatable courses such as Painting Technology and Introduction to Building Materials (Paints is one of the topics studied). We would facilitate a lecture on paints.
 - b. BPN could provide paint samples to selected higher institutions and also donate Paint Accessories for Students learning purposes.
 - c. Students Excursion - The higher institutions will organize annual excursions to BPN and we will ensure the students have very good knowledge of BPN products.
 - d. Industrial Attachment - Best students in Architecture or Industrial Chemistry could be given the opportunity for 3 – 6 months' work experience in BPN
 - e. BPN will institute an award for best graduating students in Industrial Chemistry/Architecture or Building Technology.
 - f. BPN will reward teachers in the STEM category of primary and secondary schools to encourage development of STEM.
2. **Health** – We will contribute to health institutions by supporting relevant projects such as paint donation, painting, equipment donation. We will sponsor community healthcare service within the host community by providing free medical consultation services and provision of basic medication.
3. **Charities** – We recognise that there are inner city communities within our society as well as orphanages, old people's home, school for the challenged, community groups etc. These segments of the community would be supported.
4. **Environment** – We will contribute to a safe environment by providing and complimenting government activities through various environmental and socially impacting initiatives such as the provision of pedestrian crossing and other road marking signs. We will also beautify the environment by provision of gardens, painting of listed buildings, etc. We will initiate and actively participate in eco-safe initiatives

Our activities in 2024 were along these four pillars



Giving Back to Our Community

In Q1 2024, BPN carried out a CSR health outreach activity in Agege Market. Free medical check up was given to the women and there was a health talk telling them how best to take care of their health.

In Q2 2024, we painted the Area F Police station as part of our commitment to beautify spaces around us and supporting relevant institutions in the communities we do business.

In Q3 2024, we partnered with Adeola Azeez foundation to give a facelift to Ogbo Community Comprehensive High School.

■ 2024 Sustainability Report (Cont'd)

In Q4 2024, to commemorate International Day of Volunteering, staff of BPN went out to clean the environment from Oba Akran to Agege Market.

Following the maiden open innovation challenge, we leveraged further on our partnership with Uk Innovates to launch a second challenge to launch plastic waste into paint resin.

Berger Paints Nigeria Plc remains committed to responsible business operations ensuring sustainable business practices.

Looking to the future

In line with global best practices, Berger Paints Nigeria Plc has reviewed the sustainability policy for 2025 and beyond. This revised policy is rooted in the Triple Bottom Line framework and reflects our commitment to creating shared value for shareholders, the community and environment. The policy also outlines our sustainability commitments as an organization to:

- Launch new sustainability products at least once in 2 years.
- Review our product formulation in line with global sustainability standards at least once a year to ensure that 80% of our new and current product formulations utilize sustainable raw materials.
- Quarterly reviews of our operations to ensure compliance with global standards.

The policy also seeks to achieve the objectives outlined below:

- i Transition to full 100% lead free paint products by YE 2026 from current 70% lead free paint products.
- ii Achieve 50% reduction in effluent waste water production by 2025.
- iii Commit to the use of locally produced raw materials working with relevant bodies.
- iv Develop and support local talent in the built industry.
- v Ensure backward integration working with relevant partners.
- vi Carbon footprint (CO₂)-73152kg.
- vii Recycling of 500kg of plastic bottles (about 1200 plastic bottles) annually from plastic bottles used within the BPN premises placed in designated waste bins.



Excellent coverage with just one coat



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- ✓ **High Coverage Capacity**
- ✓ **Wide and Unique Colour Range**
- ✓ **Two Coat Application for a Rich Finish**
- ✓ **Recommended for Interior and Exterior**



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🌐 www.bergerpaintsnig.com

     @Bergerpaintsnig

Independent Auditor's Report**To the Shareholders of Berger Paints Nigeria Plc****Opinion**

We have audited the financial statements of Berger Paints Nigeria Plc, which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Offices In: Abuja, Kano**Partners/ Partner equivalent:** TA Akande (Managing), NA Abdus-salaam, OO Ogundeyin, BO Adejayan, AA Agboola, ED Akintola, II Aremu, EA Akapo, FA Akande, SO Olaokun

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| Key audit matters | How the matter was addressed in the audit |
|---|---|
| <p>a) Accuracy of recognition and measurement of revenue</p> <p>Revenue is a key performance indicator on which the company and its directors are assessed.</p> <p>The application of IFRS 15, involves certain key judgement relating to identification of distinct performance obligations, the appropriateness of basis used to measure revenue recognised, determination of transaction price of the identified performance obligations and recognition of revenue when performance obligation is met.</p> <p>Given the nature of entity's business with their customers, there could be issues around cut off and revenue recognition based on satisfaction of performance obligation.</p> <p>This made revenue a key audit matter.</p> | <p>The following audit procedures were performed among others:</p> <p>Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue.</p> <p>Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of products sold.</p> <p>We assessed the accuracy on a sample basis discount and rebates by checking them to supporting document and ensure it is accordance with the company's policy.</p> <p>For sale of goods, we compared on a sample basis, postings into revenue ledger which is evidenced by delivery notes and copy of invoice and also traced goods delivered to the outgoing security register.</p> <p>Tested whether revenue transactions occurring both prior and post year end date were recognized in the correct period.</p> <p>We assessed the adequacy of revenue disclosure by ensuring the information is in line with the required standard.</p> <p>Reviewed the controls around information technology systems and performed data integrity check on revenue.</p> |
| <p>b) Impairment of trade and other receivables</p> <p>The Company is exposed to credit arising from the company trade receivables.</p> <p>The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The models also requires assumptions in the estimation of forward looking macro-economic variables in computing the probability of default. (PD).</p> <p>The appropriateness of impairment calculation for long overdue debts which require significant management's judgement, makes it a key audit matter.</p> | <p>Focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL).</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Assessed and tested the design and operating effectiveness of the controls over impairment calculations. - Reviewed the age analysis of debtors and internal controls over recoverability of receivables - Reviewed impairment model adopted by management and evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and is in agreement with our understanding of the business and the industry in which Neimeth operates. - We challenged management's assessment on the recoverability of overdue receivables, collection pattern, considering historical patterns of debt and repayment as well as recent communications with their counterparties. - Evaluated the accounting principles underlying revenue recognition, which form the basis for the recognition of trade receivables. |

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Statement of Directors Responsibility but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, 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.

Other matters

We draw attention to the matter stated below:

The consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2023, was audited by a different auditor who expressed an unmodified opinion on those statements on 31 March, 2024.

Responsibilities of the Directors and those charged with Governance for the consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identified and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Concluded on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- The Company and its subsidiary have kept proper books of account, so far as appears from our examination of those books;
- The Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account.

Limitation of Internal Control Over Financial Reporting

Because of such limitation, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However these inherent limitations are known features of the financial reporting process, therefore it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitations are:

- Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitation.
- It is a process that involves human diligence and compliance and it is subject to lapses in judgment and breakdowns resulting from human failures
- It can be circumvented by collusion or improper management override.

Other information

We have also audited in accordance with the requirements of International Standards on Auditing, the Financial Statements of **Berger Paints Nigeria Plc** ("The Company") and our report dated 28 March 2025 expressed an unqualified opinion


Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria
Dated: 28 March 2025



Independent Auditor's Attestation Report on
Management's Assessment of Internal Controls over Financial Reporting
To the Shareholders of Berger Paints Nigeria Plc

Attestation

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Berger Paints Nigeria Plc ("the Company")** as of 31 December 2024, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of Berger Paints Nigeria Plc ("the Company") as of 31 December 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the internal control procedures over financial reporting 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 Internal control procedures over financial reporting in Nigeria.

Responsibilities of the Directors and Those Charged with Governance for maintaining effective internal control over financial reporting

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Offices in: Abuja, Kano

Partners/ Partner equivalent: TA Akande (Managing), NA Abdus-salaam, OO Ogundeyin, BO Adejayan, AA Agboola, ED Akintola, II Aremu, EA Akapo, FA Akande, SO Olaokun

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Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:

- * obtaining an understanding of internal control over financial reporting,
- * assessed the risks that a material weakness may exist, and
- * evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition of Internal Control over Financial Reporting

The Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and direction of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Control over Financial Reporting

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:

- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
- b) It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

Other Information

We have also audited, in accordance with the requirements of International Standards on Auditing, the consolidated and separate financial statements of the Berger Paints Nigeria Plc and our report dated 28 March 2025 expressed an unqualified opinion.


Benson O. Adelajoye, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: **PKF Professional Services**
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Dated: 28 March 2025



Separate and Consolidated statements of Financial Position

As at 31 December 2024

| | | GROUP | | COMPANY | |
|-------------------------------------|-------|------------------|------------------|------------------|------------------|
| | | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Assets | | | | | |
| Property, plant and equipment | 13.1 | 2,594,128 | 2,514,306 | 2,582,658 | 2,500,019 |
| Right of Use asset | 13.3 | 18,402 | 18,347 | 18,402 | 18,347 |
| Intangible assets | 14 | 40,715 | 17,602 | 40,715 | 17,602 |
| Investment property | 15 | 321,210 | 341,514 | 321,211 | 341,514 |
| Investment in Subsidiary | 28 | - | - | 20,000 | 20,000 |
| | | <u>2,974,455</u> | <u>2,891,769</u> | <u>2,982,986</u> | <u>2,897,482</u> |
| Inventories | 16 | 3,302,139 | 2,148,260 | 3,302,139 | 2,148,260 |
| Trade and other receivables | 17.1 | 360,672 | 297,129 | 391,095 | 310,035 |
| Deposit for imports | 18 | - | 46,601 | - | 46,601 |
| Prepayments and advances | 19 | 199,897 | 153,433 | 199,897 | 153,433 |
| Other financial assets | 21 | 446,983 | 257,122 | 446,983 | 257,122 |
| Cash and cash equivalents | 20 | 237,189 | 802,287 | 211,680 | 798,037 |
| | | <u>4,546,881</u> | <u>3,704,832</u> | <u>4,551,794</u> | <u>3,713,488</u> |
| Total assets | | <u>7,521,336</u> | <u>6,596,601</u> | <u>7,534,781</u> | <u>6,610,970</u> |
| Equity | | | | | |
| Share capital | 22.1 | 144,912 | 144,912 | 144,912 | 144,912 |
| Share premium | 22.2 | 635,074 | 635,074 | 635,074 | 635,074 |
| Retained earnings | 22.3 | 3,048,350 | 2,727,948 | 3,075,915 | 2,751,415 |
| Total equity | | <u>3,828,336</u> | <u>3,507,934</u> | <u>3,855,900</u> | <u>3,531,401</u> |
| Non-current liabilities | | | | | |
| Loans and borrowings | 25.1 | 219,989 | 322,815 | 219,989 | 322,815 |
| Deferred income | 245.1 | 83,772 | 166,138 | 83,772 | 166,138 |
| Deferred taxation | 11 | 539,925 | 533,748 | 539,925 | 533,748 |
| | | <u>843,687</u> | <u>1,022,701</u> | <u>843,687</u> | <u>1,022,701</u> |
| Current liabilities | | | | | |
| Loans and borrowings | 25.2 | 117,971 | 22,403 | 117,971 | 22,403 |
| Current tax liabilities | 11.2 | 485,792 | 184,330 | 485,792 | 184,330 |
| Trade and other payables | 23 | 1,851,509 | 1,418,884 | 1,837,389 | 1,409,786 |
| Deferred income | 24.2 | 31,285 | 58,068 | 31,285 | 58,068 |
| Dividend payable | 26 | 362,757 | 382,281 | 362,757 | 382,281 |
| | | <u>2,849,313</u> | <u>2,065,966</u> | <u>2,835,193</u> | <u>2,056,868</u> |
| Total liabilities | | <u>3,693,000</u> | <u>3,088,667</u> | <u>3,678,880</u> | <u>3,079,569</u> |
| Total equity and liabilities | | <u>7,521,336</u> | <u>6,596,601</u> | <u>7,534,781</u> | <u>6,610,970</u> |

These financial statements were approved by the Board of Directors on **28 March, 2025** and signed on its behalf by:



Abi Ayida (FRC/2019/IODN/00000019260)
Chairman



Alaba Fagun (FRC/2023/PRO/DIR/003/234540)
Group Managing Director

Additionally certified by:



Nkechi Ojeyokan (FRC/2021/001/00000022533)
Chief Finance Officer

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

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

| | Notes | GROUP | | COMPANY | |
|---|-------|------------------|---------------|------------------|---------------|
| | | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Revenue | 5 | 10,831,911 | 7,967,546 | 10,739,502 | 7,910,181 |
| Cost of sales | 9.2 | (6,987,936) | (5,259,377) | (6,919,726) | (5,214,061) |
| Gross profit | | 3,843,975 | 2,708,169 | 3,819,776 | 2,696,120 |
| Other income | 6 | 127,167 | 83,985 | 126,807 | 83,985 |
| Selling and distribution expenses | 9.2 | (689,600) | (526,991) | (688,921) | (525,909) |
| Administrative expenses | 9.2 | (2,158,490) | (1,558,452) | (2,130,512) | (1,524,018) |
| Operating profit before impairment charges | | 1,123,052 | 706,711 | 1,127,150 | 730,177 |
| Impairment loss on trade receivables | 8 | (3,778) | 44,566 | (3,778) | 44,566 |
| Operating profit | | 1,119,274 | 751,277 | 1,123,372 | 774,743 |
| Finance income | 7.1 | 41,611 | 53,458 | 41,611 | 53,458 |
| Finance costs | 7.1 | (32,079) | (28,419) | (32,079) | (28,419) |
| Net finance income | | 9,532 | 25,039 | 9,532 | 25,039 |
| Profit before minimum tax | | 1,128,806 | 776,316 | 1,132,904 | 799,783 |
| Minimum tax expense | | - | - | - | - |
| Profit before income tax | | 1,128,806 | 776,316 | 1,132,904 | 799,783 |
| Income tax expense | 11.1 | (517,944) | (330,986) | (517,944) | (330,986) |
| Profit for the year | | 610,862 | 445,330 | 614,960 | 468,797 |
| Other comprehensive income | | | | | |
| Total comprehensive income for the year | | 610,862 | 445,330 | 614,960 | 468,797 |
| Earnings per share: | | | | | |
| Basic and diluted earnings per share (kobo) | | 211 | 154 | 212 | 162 |

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

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2024

| Note | Share capital N'000 | Share premium N'000 | Retained earnings N'000 | Total equity N'000 |
|--|------------------------|------------------------|----------------------------|-----------------------|
| Group | | | | |
| Balance at 1 January 2024 | 144,912 | 635,074 | 2,727,948 | 3,507,934 |
| Comprehensive income for the period | | | | |
| Profit for the year | - | - | 610,862 | 610,862 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 610,862 | 610,862 |
| Transactions with owners, recorded directly in equity | | | | |
| Dividend | - | - | (290,460) | (290,460) |
| Total transactions with owners | - | - | (290,460) | (290,460) |
| Balance at 31 December, 2024 | 144,912 | 635,074 | 3,048,350 | 3,828,336 |
| Group | | | | |
| Balance at 1 January 2023 | 144,912 | 635,074 | 2,543,459 | 3,323,445 |
| Comprehensive income for the period | | | | |
| Profit for the year | - | - | 445,330 | 445,330 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 445,330 | 445,330 |
| Transactions with owners, recorded directly in equity | | | | |
| Dividend | - | - | (260,841) | (260,841) |
| Total transactions with owners | - | - | (260,841) | (260,841) |
| Balance at 31 December, 2023 | 144,912 | 635,074 | 2,727,948 | 3,507,934 |
| Company | | | | |
| Balance at 1 January 2024 | 144,912 | 635,074 | 2,751,415 | 3,531,401 |
| Comprehensive income for the period | | | | |
| Profit for the year | - | - | 614,960 | 614,960 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 614,960 | 614,960 |
| Transactions with owners, recorded directly in equity | | | | |
| Dividend | - | - | (290,460) | (290,460) |
| Total transactions with owners | - | - | (290,460) | (290,460) |
| Balance at 31 December, 2024 | 144,912 | 635,074 | 3,075,915 | 3,855,901 |
| Balance at 1 January 2023 | 144,912 | 635,074 | 2,543,459 | 3,323,445 |
| Comprehensive income for the period | | | | |
| Profit for the year | - | - | 468,797 | 468,797 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 468,797 | 468,797 |
| Transactions with owners, recorded directly in equity | | | | |
| Dividend | - | - | (260,841) | (260,841) |
| Total transactions with owners | - | - | (260,841) | (260,841) |
| Balance at 31 December 2023 | 144,912 | 635,074 | 2,751,416 | 3,531,401 |

Consolidated and Separate Statements of Cash Flows

For the year ended 31 December 2024

| Note | Group | | Company | |
|---|----------------|---------------|---------------|---------------|
| | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Cash flows from operating activities | | | | |
| Profit for the period | 610,862 | 445,330 | 614,960 | 468,797 |
| Adjustments for: | | | | |
| - Depreciation | 13.1 230,469 | 226,046 | 227,688 | 224,352 |
| - Depreciation of investment property | 15 20,304 | - | 20,303 | 11,262 |
| - Amortisation | 14.2 10,877 | 10,877 | 10,749 | 10,877 |
| - Finance income | 7.1 (41,611) | (53,458) | (41,611) | (53,458) |
| - Impairment loss on trade receivables | 8 3,778 | 44,566 | 3,778 | 44,566 |
| - Finance cost | 7.1 32,079 | 28,419 | 32,079 | 28,419 |
| - Gain on sale of property, plant and equipment | 6 (6,371) | (18,514) | (6,011) | (18,514) |
| - Taxation | 11.1 517,944 | 330,986 | 517,944 | 330,986 |
| | 1,378,332 | 1,014,252 | 1,379,880 | 1,047,287 |
| <i>Changes in:</i> | | | | |
| Increase in inventory | 16 (1,153,955) | (781,473) | (1,153,864) | (781,474) |
| Decrease/(increase) in trade and other receivables | 17.1 (67,322) | (98,344) | (84,838) | (111,250) |
| Decrease in deposit for imports | 18 46,601 | 41,324 | 46,601 | 41,324 |
| Increase in prepayments and advances | 19 (46,464) | (88,410) | (46,464) | (88,410) |
| Increase/(decrease) in trade and other payables | 23 432,625 | (189,870) | 427,603 | 191,827 |
| Increase in dividend payable | 26 (19,524) | 382,281 | (19,524) | (8,515) |
| Decrease in deferred income | 24.2 (109,149) | 132,165 | (109,149) | 132,165 |
| Cash generated from operating activities | 461,143 | 411,925 | 440,244 | 422,954 |
| WHT credit notes utilised | 11.2 -129,911 | - | (129,911) | - |
| Tax paid | 11.2 (80,394) | (14,759) | (80,394) | (14,759) |
| Net cash generated from operating activities | 250,838 | 397,166 | 229,939 | 408,196 |
| Cash flows from investing activities | | | | |
| Purchase of property plant and equipment | 13.1 (310,342) | (288,808) | (310,342) | (284,088) |
| Additions to motor vehicles under lease | 13.3 (55) | - | (55) | - |
| Acquisition of Intangible assets | 14 (33,862) | (652) | (33,862) | (652) |
| Proceeds from sale of property, plant and equipment | 6,371 | 20,348 | 6,011 | 20,348 |
| Acquisition of other financial assets | 21 (189,861) | 30 | (189,861) | 30 |
| Proceed from liquidation of investment | - | 143,171 | - | 143,171 |
| Deferred tax assets | - | - | - | - |
| Finance income | 7 41,611 | - | 41,611 | - |
| Investment in Subsidiary | 28 - | - | - | (20,000) |
| Net cash used in investing activities | (486,138) | (125,911) | (486,498) | (141,191) |
| Cash flows from financing activities | | | | |
| Additions to loans and borrowings | 25.2 - | 345,604 | - | 345,604 |
| Repayment of borrowings | 25.2 (7,258) | (25,131) | (7,258) | (25,131) |
| Interest paid | 7.1 (32,079) | (15,923) | (32,079) | (15,923) |
| Dividend paid | 23.3 (290,460) | (269,356) | (290,460) | (269,356) |
| Net cash used in financing activities | (329,797) | 35,194 | (329,797) | 35,195 |
| Net decrease in cash and cash equivalents | (565,097) | 306,449 | (586,357) | 302,199 |
| Cash and cash equivalents at 1 January | 802,286 | 495,838 | 798,037 | 495,838 |
| Cash and cash equivalents at 31 December 2024 | 20 237,189 | 802,287 | 211,680 | 798,037 |

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



NOTES

to the

Consolidated and Separate

Financial Statements

For the year ended 31 December 2024

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2024

1. Reporting Entity

Berger Paints Nigeria Plc ("the Company") was incorporated in Nigeria as a private limited liability company in 1959 and was converted to a public liability company in 1973. Its registered office address is at 102, Oba Akran Avenue, Ikeja Industrial Estate, Ikeja, Lagos. The Company is listed on the Nigerian Exchange.

The principal activities of the Company continues to be the manufacturing, sale and distribution of paints and allied products throughout the country and rent of investment property.

2. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2023 (as amended). The audited consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 March, 2025.

(b) Basis of measurement

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

- Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
- Government grant (recognised as deferred income) measured at fair value.

- Inventories: Lower of cost and net realisable value.

The methods used to measure fair value are further disclosed in Note 2(e).

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

(d) Use of estimates and judgment

In the preparation of these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policy and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

| | |
|----------------------------|---|
| Note 4(Q) and 30 | leases: whether an arrangement contains a lease; |
| Note 4(D),(F), 13.2 and 15 | determination of the useful life of leasehold land; |
| Note 4(L) and 5 | revenue recognition and measurement of revenue from rendering of painting services. |

Information about assumptions and estimation uncertainties that have most significant effects on amounts recognised in the financial statements is included in the following notes;

| | |
|----------------------|--|
| Note 2(e) and 29.1 | determination of fair values |
| Note 4(G) and 29.(b) | impairment of financial assets: Expected credit loss and forward looking |
| Note 3 (B) and 10.1 | uncertainty over income taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. |
| Note 4 (F) and 25 | determination of cashflows repayments in respect of the investment property development financing arrangement. |
| Note 32 | recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources. |

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Note 33 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(e) **Measurement of fair values**

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

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

| | |
|---------|---|
| Level 1 | - quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices). |
| Level 3 | - inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 29 – Financial instruments- Fair values and financial risk management.

3. 'Changes in significant accounting policies

The Company has initially adopted IFRS 16 *Leases* and IFRIC 23 *Uncertainty over Income Tax treatments* from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

A. IFRS 16 Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated –i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) **Definition of a lease**

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note (4Q).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a leases under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

(b) As a Lessee

As a lessee, the Company leases land, motor vehicles and property rentals. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for leases of land and motor vehicles- i.e. these leases are on-balance sheet.

Leases classified as finance leases under IAS 17

On transition to IFRS 16, the carrying amount of the right of use assets and the lease liability at 1 January 2019 is determined at the carrying amount of the leased asset and lease liability under IAS 17 immediately before that date. The right of use assets recognised from the leases are presented in investment property as well as property, plant and equipment and measured at cost at that date.

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS17. The Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- did not recognise right-of-use assets and liabilities for leases of low value asset;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application ; and
- used hindsight when determining the lease term.

In particular, the Company did not recognise right of use asset and liability for the property rentals as the lease terms end within 12 months of the date of initial application.

(c) As a Lessor

The Company leases out its investment property, and an insignificant portion of the Company's building properties. The Company has classified these leases as operating leases.

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. Under IAS 17, the lease contracts were classified as operating leases.

B. IFRIC 23 Uncertainty over Income Tax treatments

The Company has adopted IFRIC 23 for the first time in the year 2019. The amendment clarifies how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

| | | | |
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A. Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions.

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

B. Financial instruments

i. Recognition and initial measurement

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

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

The Company's financial assets comprises trade and other receivables, cash and cash equivalents and other financial assets; and are classified as financial assets measured at amortised cost.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Business model assessment:

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

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

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

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

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Financial Assets- Assessment whether contractual cash flows are solely payments of principal and interest:

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

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

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

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

Financial assets- Subsequent measurement and gains and losses

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

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

The Company's financial liabilities comprises loans and borrowings, trade and other payables and dividend payable; and are classified as other financial liabilities.

iv) **Derecognition and offsetting**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

- iv) Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

C. Capital and other reserves

i. **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 price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

ii. **Share premium**

When the company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issues are deducted from share premium account, net of any related income tax benefits. The use of the share premium account is governed by S.120 (3) of the Companies and Allied Matters Act, CAP C.20, Laws of the Federation of Nigeria, 2004.

iii. **Retained earnings**

Retained earnings represents the Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as accumulated deficit.

iv. **Fair value reserve**

Fair value reserve comprises the cumulative net change in available-for-sale financial assets until the assets are derecognised or impaired.

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

D. Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Items of property, plant and equipment under construction are disclosed as capital work-in-progress.

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

ii. Subsequent cost

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

iii. Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

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

iv. Depreciation

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

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Capital work-in-progress is not depreciated.

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

| | | |
|------------------------|---|--------------|
| • Leasehold land | – | Unlimited |
| • Buildings | – | 20 years |
| • Plants and machinery | | |
| - Fixed plant | – | 12 -40 years |
| - Movable plant | – | 7 years |
| - Generators | – | 5 years |
| • Motor vehicles | | |
| - Trucks | – | 6 years |
| - Cars | – | 4 years |

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

- | | |
|--------------------------|-----------|
| • Furniture and fittings | – 5 years |
| • Computer equipment | – 5 years |
| • Motor vehicles | – 5 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

E. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each year, changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense of tangible assets with finite lives is recognised in the profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when asset is derecognised.

Purchased software are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the entity. Amortisation is calculated using the straight-line method over three (3) years.

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Internally generated intangible assets

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

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

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

The internally generated intangible asset represents product formulation development for the newly commissioned automated paint factory.

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

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

F. Investment property

i. Recognition and measurement

An investment property is either land or a building or part of a building held by the Company to earn rentals or for capital appreciation or both.

Investment property is initially measured at cost, including transaction costs. Such cost does not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy.

The cost model is applied in accounting for investment property. The investment property is recorded at cost less any accumulated depreciation and accumulated impairment losses.

ii. Subsequent expenditure

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

iii. Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the investment property which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

- | | | |
|------------------|---|-----------|
| • Buildings | – | 20 years |
| • Leasehold land | – | Unlimited |

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

iv. Transfers

Transfers to, or from, investment property are made when there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

Transfers to, or from, investment property does not change the carrying amount of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

G. Impairment

Non-derivative financial assets

i. Financial instrument

The Company's financial assets consist of cash and cash equivalent, trade receivables and other financial assets, The Company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For cash and cash equivalent and other financial assets, Company applies a general approach in calculating the ECLs. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

ii Measurement of ECLs

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

iii Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 60 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

v Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

H. Contingent liabilities and contingent assets

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 recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

A contingent asset is a possible asset 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 entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

I. Provisions

A provision is recognised, if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in profit or loss.

J. Employee benefits

i. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all employees. The Company and its employees contribute a minimum of 10% and 8% of the employees annual basic salary, housing and transport allowances respectively to the scheme. Employee contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to profit and loss.

On 1 January 2016, the Company increased the employer contributions to the scheme to 15% of employee's annual basic salary, housing and transport allowances.

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

ii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss.

A liability is recognised for the amount expected to be paid 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.

iii. Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

K. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

| | |
|--|--|
| Raw materials, non-returnable packaging materials and consumable spare parts | – purchase cost on a weighted average basis including transportation and applicable clearing charges. |
| Finished products and products-in-process | – weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity. |
| Goods in transit | – Purchase cost incurred to date |

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of conversion and selling expenses. Allowance is made for obsolete, slow moving or defective items where appropriate.

L. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

Revenue from the sale of goods in the course of ordinary activities represents sale of paints and allied products and is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognised when the goods are delivered and have been accepted by customers.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

b Contract services - supply and apply services contract

Supply and apply services contract revenue results from rendering painting services to customers. These services are rendered based on specific negotiated contracts with the customers.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Revenue is recognized overtime on basis of the Company's cost incurred relative to the total expected cost for the satisfaction of the performance obligation. The related cost are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities and presented as part of trade and other payables. Unbilled receivables for services rendered are included as contract assets and presented as part of trade and other receivables.

(ii) Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other properties are recognised as other income.

M. Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, gains on re-measurement of financial assets measured at amortised cost, and reclassification of net gains previously recognised in OCI. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on lease and other financial liabilities and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

N. Government grant

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

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

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

O. Taxation

Income tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, Nigeria Police Trust Fund levy and Capital gains tax) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Company Income Tax is computed on taxable profits; Tertiary Education Tax is computed on assessable profits while the Nigeria Police Trust Fund is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Company during the year). Income tax liabilities are presented in the statement of financial position net of withholding taxes.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if the Company:

- (a) has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation
- (b) authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

(c) Minimum tax expense

The Company is subject to the Finance Act, 2019 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2019 is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the statement of financial position.

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

P. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

Q. Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS17 and IFRIC4. The details of accounting policies under IAS17 and IFRIC4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assess whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

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

i. As a lessee

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

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

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

■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commence date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease the Company is reasonably certain not to terminate early.

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

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

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position. Right of use assets comprises motor vehicles under lease and leasehold land.

Short-term leases and leased of low-value assets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accountings for its interests in the head lease and the sub-lease separately. It assesses the classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classified the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight -line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16.

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Policy applicable before 1 January 2019

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

ii. Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

R. Statement of cashflows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividend paid to ordinary shareholders are included in financing activities while finance income received is included in investing activities.

S. Operating Segment

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Management Committee, which is considered to be the chief operating decision maker for the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's Management Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

T. Dividends

Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Act of Nigeria are written back to retained earnings.

U. Prepayments and advances

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

V. Deposit for imports

Deposit for imports are non-financial assets which result when letters of credit are opened with the bank for the importation of raw materials and plant and machinery. They are recognized when the Company expects to receive future economic benefits equivalent to the value of the deposit made.

W. Investment in subsidiary

Subsidiaries are entities controlled by the Company. Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognized in profit or loss. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

X. Related parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. 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.

Related parties transactions of similar nature are disclosed in aggregate except where separate disclosure is necessary for understanding of the effects of the related party transactions on the financial statements of the entity.

Y. Changes in accounting policies and disclosures and Standards Issued

New and amended standards and interpretations

Several standards amendments and interpretations apply for the first time in 2024 but did not have an impact on the financial statements of the Company.

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Z. Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

5. Revenue

5.1 Revenue stream for the period comprises:

(i) Revenue from contract with customers

- Sale of paints and allied products*

- Contract services

Revenue from sale of paints and allied products for the year comprises:

Revenue (net of value added tax)

Discounts and rebates

Nigeria is the Company's primary geographical segment as all sales in the current and prior year were made in the country.

Contract balances

The Company's contract balance comprises of trade receivables from contract with customers and is included in trade and other receivables.

The balance is analysed as follows:

Billed receivables in respect of sales of paints and allied products

Unbilled receivables in respect of contract services

Trade receivables (Note 18.1)

6. Other income

Other income comprises:

Sale of Scrap

Income on property leases (Note 6.1)

Profit from disposal of property, plant and equipment

Insurance claims received

Income from fixed deposit

Sale of raw materials

| Group | | Company | |
|-------------------|------------------|-------------------|------------------|
| 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| | | | |
| | | | |
| 13,194,029 | 9,259,523 | 13,194,029 | 9,259,523 |
| 122,667 | 306,665 | 30,257 | 306,665 |
| <u>13,316,696</u> | <u>9,566,188</u> | <u>13,224,286</u> | <u>9,566,188</u> |
| | | | |
| 13,316,696 | 9,566,188 | 13,224,286 | 9,566,188 |
| (2,484,785) | (1,656,007) | (2,484,785) | (1,656,007) |
| <u>10,831,911</u> | <u>7,910,181</u> | <u>10,739,502</u> | <u>7,910,181</u> |
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6.1). This represents income earned from leases of an insignificant portion of the Company's building properties to third parties.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

7. Finance income and finance cost

Recognised in profit or loss:

| | Group | | Company | |
|--|----------|----------|----------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Interest income on bank deposits | - | 30 | - | 30 |
| Interest income on other financial assets | 11,966 | 40,546 | 11,966 | 40,546 |
| Foreign currency gain | (1,640) | - | (1,640) | - |
| Government grant | 31,285 | 12,882 | 31,285 | 12,882 |
| Total finance income | 41,611 | 53,458 | 41,611 | 53,458 |
| Interest expense on borrowings | (32,079) | - | (32,079) | - |
| Interest expense on financial liabilities measured at amorti | - | (28,419) | - | (28,419) |
| Total finance cost | (32,079) | (28,419) | (32,079) | (28,419) |
| Net finance income recognised in profit or loss | 9,532 | 25,039 | 9,532 | 25,039 |

8. Profit before income tax

Profit before tax is stated after charging/(crediting):

| | | | | |
|--|-----------|----------|-----------|----------|
| Directors' emoluments | 126,028 | 88,068 | 110,158 | 88,068 |
| Depreciation | 250,760 | 226,046 | 247,992 | 224,352 |
| Amortisation | 10,749 | 10,877 | 10,749 | 10,877 |
| Personnel expenses | 1,152,492 | 841,665 | 1,147,216 | 831,486 |
| Auditors' remuneration | 20,700 | 29,250 | 18,450 | 27,000 |
| Impairment loss/(write back) on trade receivables | 3,778 | (44,566) | 3,778 | (44,566) |
| Profit from disposal of property, plants and equipment | 6,011 | (18,514) | 6,011 | (18,514) |

9. Expenses

9.1 Analysis of expenses by nature

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Directors emoluments | 126,028 | 88,068 | 110,158 | 88,068 |
| Personnel expenses (Note 9.3) | 1,152,492 | 841,665 | 1,147,216 | 831,486 |
| Training expenses | 10,917 | 444 | 10,917 | 444 |
| Repairs and maintenance | 212,063 | 126,832 | 212,063 | 126,832 |
| Office and corporate expenses | 267,997 | 157,049 | 267,997 | 136,738 |
| License and permits | 38,501 | 41,931 | 38,501 | 41,931 |
| Utilities | 206,007 | 192,086 | 206,007 | 192,086 |
| Insurance | 81,493 | 53,687 | 81,493 | 53,687 |
| Travel, transport and accommodation | 309,157 | 160,004 | 309,157 | 160,004 |
| Rent, rate and levies | 10,091 | 1,997 | 10,091 | 1,997 |
| Subscriptions | 3,969 | 16,178 | 3,969 | 16,178 |
| Donations | 1,138 | 1,047 | 1,138 | 1,047 |
| Depreciation | 250,760 | 226,046 | 247,992 | 224,352 |
| Amortisation | 10,749 | 10,877 | 10,749 | 10,877 |
| Printing and stationery | 5,105 | 6,476 | 5,105 | 6,476 |
| Professional, Consulting and Legal Fees | 131,513 | 86,312 | 129,768 | 86,312 |
| Auditors' remuneration | 20,700 | 29,250 | 18,450 | 27,000 |
| Bank charges | 16,033 | 16,667 | 15,925 | 16,667 |
| Advertisement and publicity expenses | 233,907 | 158,792 | 233,907 | 157,710 |
| Distribution expenses | 455,015 | 370,629 | 455,014 | 370,629 |
| Raw materials and consumables | 6,268,045 | 4,468,475 | 6,199,192 | 4,424,239 |
| Foreign currency exchange loss | - | 80,207 | - | 80,207 |
| Impairment of Heritage Bank balance | 1,075 | - | 1,075 | - |
| Loss on sale of asset | 11 | - | 11 | - |
| Contract services expenses | 23,261 | 209,021 | 23,261 | 209,021 |
| | 9,836,026 | 7,343,738 | 9,739,159 | 7,263,988 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Summarised as follows:

9.2 Cost of sales
Selling and distribution expenses
Administrative expenses

Total cost

b) Depreciation

Depreciation charged for the year comprises:
Depreciation of property, plant and equipment
Amortisation of intangible assets
Depreciation of investment property

Total depreciation

9.3. Personnel expenses

a) Personnel expenses, excluding remuneration of the executive directors during the period comprises:

Salaries, wages and allowances
Other staff expenses
Employer contribution to compulsory pension fund scheme

b) Number of employees of the Company at period end, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

| ₦ | ₦ |
|---------------|-----------|
| 1 - | 500,000 |
| 500,001 - | 1,000,000 |
| 1,000,001 - | 1,500,001 |
| 1,500,001 - | 2,000,001 |
| 2,000,001 - | 3,000,001 |
| 3,000,001 and | above |

| Group | | Company | |
|------------------|------------------|------------------|------------------|
| 2024 | 2023 | 2024 | 2023 |
| N'000 | N'000 | N'000 | N'000 |
| 6,987,936 | 5,259,377 | 6,919,726 | 5,214,061 |
| 689,600 | 525,909 | 688,921 | 525,909 |
| 2,158,490 | 1,558,452 | 2,130,512 | 1,524,018 |
| 9,836,026 | 7,343,738 | 9,739,159 | 7,263,988 |
| | | | |
| 230,456 | 173,382 | 227,688 | 171,688 |
| - | 32,304 | - | 32,304 |
| 20,304 | 20,360 | 20,304 | 20,360 |
| 250,760 | 226,046 | 247,992 | 224,352 |
| | | | |
| 1,003,782 | 722,196 | 998,506 | 712,017 |
| 74,767 | 59,814 | 74,767 | 59,814 |
| 73,943 | 59,655 | 73,943 | 59,655 |
| 1,152,492 | 841,665 | 1,147,216 | 831,486 |

| Number | Number | Number | Number |
|------------|------------|------------|------------|
| - | - | - | - |
| - | 1 | - | 1 |
| 3 | 8 | 3 | 8 |
| 12 | 21 | 12 | 21 |
| 40 | 33 | 40 | 33 |
| 82 | 73 | 80 | 71 |
| 137 | 136 | 135 | 134 |

c) The number of persons employed as at period end are:

by the number of persons employed as at period end are:

| | | | | |
|--------------------------------|------------|------------|------------|------------|
| Production | 20 | 20 | 20 | 20 |
| Sales and marketing | 40 | 39 | 38 | 37 |
| Finance | 8 | 8 | 8 | 8 |
| Human Resource | 4 | 4 | 4 | 4 |
| Maintenance | 6 | 6 | 6 | 6 |
| Admin/Corporate | 20 | 18 | 20 | 18 |
| Logistics & Supply Chain | 18 | 18 | 18 | 18 |
| Internal Control | 6 | 6 | 6 | 6 |
| Information Technology(IT)/CSR | 2 | 2 | 2 | 2 |
| Technical & Quality Assurance | 11 | 13 | 11 | 13 |
| Risk Management | 2 | 2 | 2 | 2 |
| | <u>137</u> | <u>136</u> | <u>135</u> | <u>134</u> |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

d) Remuneration (excluding pension contributions and certain benefits) paid to directors of the Company and charged to the profit or loss are as follows:

Fees paid to non executive directors
Salaries

| Group | | Company | |
|----------------|----------------|----------------|----------------|
| 2024 | 2023 | 2024 | 2023 |
| N'000 | N'000 | N'000 | N'000 |
| 126,028 | 88,068 | 110,158 | 88,068 |
| 76,380 | 35,351 | 76,380 | 35,351 |
| <u>202,408</u> | <u>123,419</u> | <u>186,538</u> | <u>123,419</u> |
| 16,500 | 9,000 | 15,000 | 7,500 |
| <u>76,380</u> | <u>35,351</u> | <u>76,380</u> | <u>35,351</u> |

The directors remuneration shown above include:

Chairman
Highest paid Director

Other directors received emoluments in the following ranges:

| N | N |
|--------------|------------|
| 250,000 - | 1,000,000 |
| 1,000,001 - | 2,000,000 |
| 3,000,001 - | 10,000,000 |
| 10,000,001 - | 16,500,000 |

| Number | Number | Number | Number |
|----------|----------|----------|----------|
| - | - | - | - |
| - | - | - | - |
| 4 | 4 | 4 | 4 |
| <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| <u>5</u> | <u>5</u> | <u>5</u> | <u>5</u> |

10.1 Income tax expenses

The tax charge for the year has been computed after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprises:

Current tax expense:

Company income tax
WHT credit notes impaired
Nigeria Police Trust Fund Levy (NPTF)
Tertiary education tax

| | | | |
|----------------|----------------|----------------|----------------|
| 316,415 | 215,191 | 316,415 | 215,191 |
| - | 7,594 | - | 7,594 |
| 60 | 40 | 60 | 40 |
| <u>41,821</u> | <u>30,295</u> | <u>41,821</u> | <u>30,295</u> |
| 358,296 | 253,120 | 358,296 | 253,120 |
| (48,978) | - | (48,978) | - |
| 181,915 | - | 181,915 | - |
| 20,534 | 77,866 | 20,534 | 77,866 |
| <u>511,767</u> | <u>330,986</u> | <u>511,767</u> | <u>330,986</u> |
| 6,177 | - | 6,177 | - |
| <u>517,944</u> | <u>330,986</u> | <u>517,944</u> | <u>330,986</u> |

Overprovision in prior year
Back duty assessment:
Company income tax
Education tax
(Credit)/charge for the year

Deferred tax expense

Income tax expense

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

10.2 Reconciliation of effective tax rate:

| | Group | | Company | |
|---|------------------|----------------|------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Profit for the period | 612,184 | 445,330 | 614,960 | 468,797 |
| Taxation | 517,944 | 330,986 | 517,944 | 330,986 |
| Profit before taxation | 1,130,128 | 776,316 | 1,132,904 | 799,783 |
| Income tax using the Company's domestic rate of 30% | 339,038 | 232,895 | 339,871 | 239,935 |
| Tertiary education tax | 41,821 | 23,289 | 41,821 | 23,993 |
| Effect of: | | | | |
| - Nigeria Police Trust Fund (NPTF) levy | 60 | 40 | 60 | 40 |
| - Non-deductible expenses | 63,747 | 62,119 | 62,914 | 54,375 |
| - Tax exempt income | (2,882) | - | (2,882) | - |
| - Balancing Adjustment | 23,608 | - | 23,608 | - |
| - Tax incentives | (107,097) | - | (107,097) | - |
| - Net WHT notes impaired | - | 7,594 | - | 7,594 |
| - Change in tax rate | - | 5,049 | - | 5,049 |
| - Overprovision in prior year | (48,978) | - | (48,978) | - |
| - Back duty Assessment | 6,177 | - | 6,177 | - |
| Tax expense | 517,944 | 330,986 | 517,944 | 330,986 |

10.3 The movement in the tax payable during the year was as follows:

Current tax assets/(liabilities)

| | | | | |
|---|------------------|----------------|------------------|----------------|
| Balance as at 1 January | 184,330 | 14,759 | 184,330 | 14,759 |
| Current period charge | 511,767 | 245,526 | 511,767 | 245,526 |
| Minimum tax charge | - | - | - | - |
| Cash payments | (80,394) | (14,759) | (80,394) | (14,759) |
| WHT credit notes utilised | (129,911) | (61,196) | (129,911) | (61,196) |
| Balance as at period end (A) | 485,792 | 184,330 | 485,792 | 184,330 |
| WHT credit notes | | | | |
| Balance as at 1 January | - | 42,050 | - | 42,050 |
| Net WHT credit recovered | - | - | - | - |
| Additions | 55,853 | 26,740 | 55,853 | 26,740 |
| Transfer from prepayment and advances (Note 20) | - | (7,594) | - | (7,594) |
| WHT credit notes utilised | (55,853) | (61,196) | (55,853) | (61,196) |
| Balance as at period end (B) | - | - | - | - |
| Total current tax assets/(liabilities) (A+B) | 485,792 | 184,330 | 485,792 | 184,330 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

11 Deferred taxation

Group

31 December 2024

| | | | | | |
|---------------------------------------|----------|----------|---------|---|---------|
| Property, plant and equipment | 601,980 | (63,680) | 538,300 | - | 538,300 |
| Allowance on trade receivable | (33,966) | 33,966 | - | - | - |
| Provision for gratuity discontinued | (713) | 1,847 | - | - | - |
| Provision for slow moving inventories | (7,088) | 7,088 | 1,134 | - | 1,134 |
| Unrealised exchange losses/(gain) | (26,465) | 26,957 | 492 | - | 492 |

Net tax (assets)/ liabilities

533,748 6,177 539,925 - 539,925

Group

31 December 2023

| | | | | | |
|---------------------------------------|----------|----------|----------|----------|---------|
| Property, plant and equipment | 528,587 | 73,393 | 601,980 | - | 601,980 |
| Allowance on trade receivable | (59,822) | 25,856 | (33,966) | (33,966) | - |
| Provision for gratuity discontinued | (713) | - | (713) | (713) | - |
| Provision for slow moving inventories | (11,969) | 4,881 | (7,088) | (7,088) | - |
| Unrealised exchange losses/(gain) | (201) | (26,264) | (26,465) | (26,465) | - |

Net tax (assets)/ liabilities

455,882 77,866 533,748 (68,232) 601,980

Company

31 December 2024

| | | | | | |
|---------------------------------------|----------|----------|---------|---|---------|
| Property, plant and equipment | 601,980 | (63,680) | 538,300 | - | 538,300 |
| Allowance on trade receivable | (33,966) | 33,966 | - | - | - |
| Provision for gratuity discontinued | (713) | 1,847 | 1,134 | - | 1,134 |
| Provision for slow moving inventories | (7,088) | 7,088 | - | - | - |
| Unrealised exchange losses/(gain) | (26,465) | 26,957 | 492 | - | 492 |

Net tax (assets)/ liabilities

533,748 6,177 539,925 - 539,925

Company

31 December 2023

| | | | | | |
|---------------------------------------|----------|----------|----------|----------|---------|
| Property, plant and equipment | 528,587 | 73,393 | 601,980 | - | 601,980 |
| Allowance on trade receivable | (59,822) | 25,856 | (33,966) | (33,966) | - |
| Provision for gratuity discontinued | (713) | - | (713) | (713) | - |
| Provision for slow moving inventories | (11,969) | 4,881 | (7,088) | (7,088) | - |
| Unrealised exchange losses/(gain) | (201) | (26,264) | (26,465) | (26,465) | - |

Net tax (assets)/ liabilities

455,882 77,866 533,748 (68,232) 601,980

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

12. Basic and diluted earnings per share

Basic earnings per share of 211kobo and 212 Kobo (31 December 2023: 154 kobo and 152 kobo) is based on the Group profit and Company profit for the period of ₦610.9 million and ₦615million (31 December 2023: ₦445.3 million and ₦468.8million) and on 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period.

Basic earnings per share is the same as diluted earnings per share.

13. Property Plant and equipment

13.1 Group

The movement on these accounts was as follows:

| | Leasehold Land N'000 | Buildings N'000 | Plants and Machinery N'000 | Furniture and fittings N'000 | Motor Vehicles N'000 | Computer Equipment N'000 | Capital work-in progress N'000 | Total N'000 |
|-------------------------------------|-------------------------|--------------------|-------------------------------|---------------------------------|-------------------------|-----------------------------|-----------------------------------|----------------|
| Cost | | | | | | | | |
| Balance at 1 January 2023 | 390,000 | 1,313,360 | 1,560,286 | 69,255 | 165,381 | 172,591 | - | 3,670,873 |
| Additions | - | - | 93,178 | 37,561 | 8,025 | 15,891 | 134,153 | 288,808 |
| Disposals/write-off | - | - | (23,879) | (4,140) | (27,454) | (6,532) | - | (62,005) |
| Balance at 31 December 2023 | 390,000 | 1,313,360 | 1,629,585 | 102,676 | 145,952 | 181,950 | 134,153 | 3,897,676 |
| Balance at 1 January 2024 | 390,000 | 1,313,360 | 1,629,585 | 102,676 | 145,952 | 181,950 | 134,153 | 3,897,676 |
| Adjustment | - | - | - | (2,442) | - | 2,442 | - | - |
| Additions | - | 159,269 | - | - | 5,943 | 47,505 | 97,625 | 310,342 |
| Reclassification to tangible assets | - | - | 124,763 | 107,015 | - | - | (231,778) | - |
| Disposals | - | - | (22,851) | (255) | - | - | - | (23,106) |
| Balance at 31 December 2024 | 390,000 | 1,472,629 | 1,731,497 | 206,994 | 151,895 | 231,897 | - | 4,184,912 |
| Accumulated depreciation | | | | | | | | |
| Balance at 1 January 2023 | 78,081 | 432,392 | 432,428 | 55,924 | 142,056 | 129,278 | - | 1,270,159 |
| Charge for the year | - | 66,743 | 71,879 | 9,623 | 8,906 | 16,231 | - | 173,382 |
| Disposals | - | - | (22,893) | (4,129) | (26,617) | (6,532) | - | (60,171) |
| Balance at 31 December 2023 | 78,081 | 499,135 | 481,414 | 61,418 | 124,345 | 138,977 | - | 1,383,370 |
| Balance at 1 January 2024 | 78,081 | 499,135 | 481,414 | 61,418 | 124,345 | 138,977 | - | 1,383,370 |
| Charge for the period | - | 75,105 | 85,629 | 25,953 | 20,067 | 23,715 | - | 230,469 |
| Disposals | - | - | (22,851) | (243) | - | - | - | (23,094) |
| Balance at 31 December 2024 | 78,081 | 574,240 | 544,192 | 87,128 | 144,412 | 162,692 | - | 1,590,745 |
| Carrying amounts | | | | | | | | |
| At 31st December 2024 | 311,919 | 898,389 | 1,187,305 | 119,866 | 7,483 | 69,205 | - | 2,594,128 |
| At 31 December 2023 | 311,919 | 814,225 | 1,148,171 | 41,258 | 21,607 | 42,973 | 134,153 | 2,514,306 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

13.2 COMP ANY

The movement on these accounts was as follows:

| | Note | Leasehold Land N'000 | Buildings N'000 | Plants and Machinery N'000 | Furniture and fittings N'000 | Motor Vehicles N'000 | Computer Equipment N'000 | Capital work-in progress N'000 | TOTAL N'000 |
|---------------------------------|------|----------------------------|--------------------|----------------------------------|------------------------------------|----------------------------|--------------------------------|---|----------------|
| Cost | | | | | | | | | |
| Balance at 1 January 2023 | | 390,000 | 1,313,360 | 1,560,286 | 69,255 | 165,381 | 172,592 | - | 3,670,874 |
| Additions | | - | - | 93,178 | 37,561 | 3,700 | 15,496 | 134,153 | 284,088 |
| Transfer | | - | - | (15,045) | - | (3,700) | (489) | - | (19,234) |
| Disposals/write-off | | - | - | (23,879) | (4,140) | (27,454) | (6,532) | - | (62,005) |
| Balance at 31 December 2023 | | 390,000 | 1,313,360 | 1,614,540 | 102,676 | 137,927 | 181,067 | 134,153 | 3,873,723 |
| Balance at 1 January 2024 | | 390,000 | 1,313,360 | 1,614,540 | 102,676 | 137,927 | 181,067 | 134,153 | 3,873,723 |
| Adjustment | | - | - | - | (2,442) | - | 2,442 | - | - |
| Additions | | - | 159,269 | - | - | 5,943 | 47,505 | 97,625 | 310,342 |
| Reclassification | | - | - | 124,763 | 107,015 | - | - | (231,778) | - |
| Disposals | | - | - | (22,851) | (255) | - | - | - | (23,106) |
| Balance at 31 December, 2024 | | 390,000 | 1,472,629 | 1,716,452 | 206,994 | 143,870 | 231,014 | - | 4,160,959 |
| Accumulated depreciation | | | | | | | | | |
| Balance at 1 January 2023 | 9(b) | 78,081 | 432,392 | 432,428 | 55,924 | 142,056 | 129,278 | - | 1,270,159 |
| Charge for the year | | - | 65,668 | 71,351 | 9,623 | 8,906 | 16,140 | - | 171,688 |
| Transfer | | - | - | (7,124) | - | (542) | (306) | - | (7,972) |
| Disposals | | - | - | (22,893) | (4,129) | (26,617) | (6,532) | - | (60,171) |
| Balance at 31 December 2023 | | 78,081 | 498,060 | 473,762 | 61,418 | 123,803 | 138,580 | - | 1,373,704 |
| Balance at 1 January 2024 | | 78,081 | 498,060 | 473,762 | 61,418 | 123,803 | 138,580 | - | 1,373,707 |
| Charge for the period | 9(b) | - | 75,105 | 82,861 | 25,937 | 20,067 | 23,715 | - | 227,688 |
| Disposals | | - | - | (22,851) | (243) | - | - | - | (23,094) |
| Balance at 31 December, 2024 | | 78,081 | 573,165 | 533,772 | 87,112 | 143,870 | 162,295 | - | 1,578,301 |
| Carrying amounts | | | | | | | | | |
| At 31 December 2023 | | 311,919 | 899,464 | 1,182,680 | 119,882 | - | 68,719 | - | 2,582,658 |
| At 31st December 2023 | | 311,919 | 815,300 | 1,140,778 | 41,258 | 14,124 | 42,487 | 134,153 | 2,500,019 |

a) Impairment of property, plant and equipment

No impairment loss was recognised for the period (December 2023: Nil).

b) **Transfer.** This represents transfers of machinery, motor vehicle and computer equipments to subsidiaries - Swift Painting Nigeria Limited.

c) No assets of the Company was pledged as securities for loan during the year

d) Adjustment represents item of computer equipment previously classified as furniture and fittings now adjusted to computer equipment.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

13.3 Right of Use asset

Right of use assets comprises leasehold land and motor vehicles under finance leases.

The leasehold land is held under lease arrangements for a minimum lease term of 99 years. The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards incidental to ownership of the land to the Company. The lease amounts were fully paid at the inception of the lease.

| | Group | | Company | |
|---------------------------------|----------------------------------|----------------|--|----------------|
| | Vehicles under Lease N'000 | Total N'000 | Motor Vehicles under Lease N'000 | Total N'000 |
| Cost | | | | |
| Balance at 1 January 2023 | 182,350 | 182,350 | 182,350 | 182,350 |
| Additions | - | - | - | - |
| Balance at 31 December 2023 | 182,350 | 182,350 | 182,350 | 182,350 |
| Balance at 1 January 2024 | 182,350 | 182,350 | 182,350 | 182,350 |
| Additions | 55 | 55 | 55 | 55 |
| Balance at 31 December 2024 | 182,405 | 182,405 | 182,405 | 182,405 |
| Accumulated depreciation | | | | |
| Balance at 1 January 2023 | 131,699 | 131,699 | 131,699 | 131,699 |
| Charge for the year | 32,304 | 32,304 | 32,304 | 32,304 |
| Balance at 31 December 2023 | 164,003 | 164,003 | 164,003 | 164,003 |
| Balance at 1 January 2024 | 164,003 | 164,003 | 164,003 | 164,003 |
| Charge for the period | - | - | - | - |
| Balance at 31 December 2024 | 164,003 | 164,003 | 164,003 | 164,003 |
| Carrying amounts | | | | |
| At 31st December 2024 | 18,402 | 18,402 | 18,402 | 18,402 |
| At 31 December 2023 | 18,347 | 18,347 | 18,347 | 18,347 |

■ ■ ■ Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

14. Intangible assets

14.1 Group

Cost

Balance at 1 January 2023
Additions
Balance at 31 December 2023

Balance at 1 January 2024
Additions
Balance at 31 December 2024

Accumulated amortisation

Balance at 1 January 2023
Charge for the year
Balance at 31 December 2023

Balance at 1 January 2024
Charge for the period
Balance at 31 December 2024

Carrying amounts

At 31 December 2023

At 31 December, 2024

14.2 Company

Cost

Balance at 1 January 2023
Additions
Balance at 31 December 2023

Balance at 1 January 2024
Additions
Balance at 31 December 2024

Accumulated amortisation

Balance at 1 January 2023
Charge for the year
Balance at 31 December 2023

Balance at 1 January 2024
Charge for the period
Balance at 31 December 2024

Carrying amounts

At 31 December 2024

At 31 December 2023

| Computer Software N'000 | Total N'000 |
|-------------------------|-------------|
| 108,948 | 108,948 |
| 652 | 652 |
| 109,600 | 109,600 |
| 109,600 | 109,600 |
| 33,862 | 33,862 |
| 143,462 | 143,462 |
| 81,121 | 81,121 |
| 10,877 | 10,877 |
| 91,998 | 91,998 |
| 91,998 | 91,998 |
| 10,749 | 10,749 |
| 102,747 | 102,747 |
| 17,602 | 17,602 |
| 40,715 | 40,715 |
| 108,948 | 108,948 |
| 652 | 652 |
| 109,600 | 109,600 |
| 109,600 | 109,600 |
| 33,862 | 33,862 |
| 143,462 | 143,462 |
| 81,121 | 81,121 |
| 10,877 | 10,877 |
| 91,998 | 91,998 |
| 91,998 | 91,998 |
| 10,749 | 10,749 |
| 102,747 | 102,747 |
| 40,715 | 40,715 |
| 17,602 | 17,602 |

The Company's intangible assets represent cost of Microsoft Navision ERP applications license and technical agreement. The cost is amortised to profit or loss over a period of five years.

Intangible assets amortisation charged to profit or loss for the period amounts to ₦ 10.7 million (31 December 2023: ₦ 10.9.million) and is included as part of administrative expenses.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

15. Investment property

The movement on this account was as follows:

Cost

Balance at 31 December

Accumulated depreciation

Balance at 1 January

Charge for the period

Balance at 31 December

Carrying amounts at period ended

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| | <u>604,468</u> | <u>604,468</u> | <u>604,468</u> | <u>604,468</u> |
| | | | | |
| | <u>262,954</u> | <u>242,594</u> | <u>262,954</u> | <u>242,594</u> |
| | <u>20,304</u> | <u>20,360</u> | <u>20,304</u> | <u>20,360</u> |
| | <u>283,258</u> | <u>262,954</u> | <u>283,257</u> | <u>262,954</u> |
| | <u>321,210</u> | <u>341,514</u> | <u>321,211</u> | <u>341,514</u> |

Investment property comprises the Company's land and building at Abuja (hereinafter referred to as Berger Paints Plaza). The Company completed and commissioned the Berger Paints Plaza in November 2013. The Berger Paints Plaza is made up of 2,196 square meters of trade shops and offices available for commercial rent. The property has been leased to third parties and is managed on behalf of the Company by Gauge Construction Servicing Limited.

Each of the leases contains an initial non-cancellable period of one (1) year. No contingent rents are charged.

Rental income generated from investment property recognised during the period was N21.6 million (31 December 2023: N33.3million).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (31 December 2023: Nil).

Depreciation of ₦ 20.3 million (31 December 2023: ₦ 20.4 million) charged on investment property for the period was included in admin expenses.

The fair value of the investment property as at period end is ₦ 3.18 billion (31 December 2023: ₦ 2.46 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2014/NIESV/0000000000254. The valuation was carried out by Umoru Yakub with FRCN number FRC/2014/PRO/NIESV/014/00000008842. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used. The direct market comparison and depreciated replacement cost method was used in

16. Inventories

Raw and packaging materials

Finished products

Product-in-process

Consumable spare parts

Goods in transit

| | 2024 | 2023 | 2024 | 2023 |
|--|------------------|------------------|------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 |
| | <u>2,623,978</u> | <u>1,254,862</u> | <u>2,623,978</u> | <u>1,254,862</u> |
| | <u>618,387</u> | <u>415,731</u> | <u>618,387</u> | <u>415,731</u> |
| | <u>4,126</u> | <u>10,172</u> | <u>4,126</u> | <u>10,172</u> |
| | <u>55,648</u> | <u>96,470</u> | <u>55,648</u> | <u>96,470</u> |
| | <u>-</u> | <u>371,025</u> | <u>-</u> | <u>371,025</u> |
| | <u>3,302,139</u> | <u>2,148,260</u> | <u>3,302,139</u> | <u>2,148,260</u> |

Inventory to the value of N3.3 billion (2023: N2.15 billion) were carried at net realisable value. Inventory written down during the year was N47.7 million (2023: N22 million).

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

17. Trade and other receivables comprises:

17.1 Trade and other receivables comprises:

| | Group | | Company | |
|------------------------------------|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Trade receivables (Note 5(b)) | 267,394 | 219,370 | 241,763 | 201,877 |
| Lease receivable | 83,688 | 89,804 | 83,688 | 89,804 |
| Staff debtors | 3,692 | 1,760 | 3,692 | 1,760 |
| Deposit with Company registrar | 89,796 | 89,796 | 89,796 | 89,796 |
| Contract assets | 451 | 1,772 | 451 | 1,772 |
| Other receivables | 22,896 | 306 | 22,896 | 306 |
| WHT receivables | 2,213 | - | 2,213 | - |
| Receivable from related party | - | - | 56,054 | 30,399 |
| Total trade and other receivables | 470,130 | 402,808 | 500,552 | 415,714 |
| Impairment allowance | (109,457) | (105,679) | (109,457) | (105,679) |
| Carrying amount as at period ended | 360,672 | 297,129 | 391,095 | 310,035 |

17.2 The movement in the allowance for impairment

in respect of trade and other receivables during the period was as follows:

| | | | | |
|--------------------------------|---------|----------|---------|----------|
| Balance at 1 January | 105,679 | 184,030 | 105,679 | 184,030 |
| Net impairment loss recognised | 3,778 | (44,566) | 3,778 | (44,566) |
| Bad debt written off | - | (33,785) | - | (33,785) |
| Balance at 31 December 2024 | 109,457 | 105,679 | 109,457 | 105,679 |

18. Deposit for imports

The deposit for imports represents amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at 31 December 2024 amounted to Nil (31 December 2023 : ₦ 46.6 million).

19. Prepayments and advances

Prepayments and advances comprises:

| | | | | |
|------------------------------|---------|---------|---------|---------|
| Advance payment to suppliers | 109,980 | 85,748 | 109,980 | 85,748 |
| WHT receivables | 65,534 | - | 65,534 | - |
| Prepaid insurance and others | 24,383 | 67,685 | 24,383 | 67,685 |
| | 199,897 | 153,433 | 199,897 | 153,433 |

20. Cash and cash equivalents

Cash and cash equivalents comprises:

| | | | | |
|-------------------------------------|---------|---------|---------|---------|
| Cash on hand | 89 | 69 | 89 | 69 |
| Investment in short term deposit | - | 130,594 | - | 130,594 |
| Balance with banks | 238,176 | 671,624 | 212,666 | 667,374 |
| | 238,264 | 802,287 | 212,755 | 798,037 |
| Impairment of Heritage bank balance | (1,075) | - | (1,075) | - |
| Cash and cash equivalents | 237,189 | 802,287 | 211,680 | 798,037 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

21. Other financial assets

This represents unclaimed dividend returned by the Company's registrar and invested in short term money market instrument as at period end:

As at 31 December 2024, the investment is analysed as stated below:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| At 1 January | 257,122 | 359,747 | 257,122 | 359,747 |
| Additions/(proceed from liquidation of investment) | 177,896 | (143,171) | 177,896 | (143,171) |
| Interest income | 11,966 | 40,546 | 11,966 | 40,546 |
| At 31 December 2024 | <u>446,983</u> | <u>257,122</u> | <u>446,983</u> | <u>257,122</u> |

22.1 Ordinary shares

Issued and fully paid 289,823,447 ordinary shares of 50k each

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | <u>144,912</u> | <u>144,912</u> | <u>144,912</u> | <u>144,912</u> |
|--|----------------|----------------|----------------|----------------|

22.2 Share premium

At 31 December 2024

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | <u>635,074</u> | <u>635,074</u> | <u>635,074</u> | <u>635,074</u> |
|--|----------------|----------------|----------------|----------------|

22.3. Retained earnings

| | | | | |
|---------------------------|------------------|------------------|------------------|------------------|
| At 1 January | 2,727,948 | 2,543,459 | 2,751,415 | 2,543,459 |
| Transfer from profit/loss | 610,862 | 445,330 | 614,960 | 468,797 |
| Dividend paid | (290,460) | (260,841) | (290,460) | (260,841) |
| At 31 December | <u>3,048,350</u> | <u>2,727,948</u> | <u>3,075,915</u> | <u>2,751,415</u> |

23. Trade and other payables

Trade and other payables comprises:

| | | | | |
|------------------------------|------------------|------------------|------------------|------------------|
| Trade payables | 881,472 | 626,995 | 881,472 | 617,897 |
| Customer deposits for paints | 420,390 | 287,889 | 418,774 | 287,889 |
| Value Added Tax payable | 21,939 | 18,946 | 21,012 | 18,946 |
| Withholding Tax payable | 62,684 | 67,197 | 62,232 | 67,197 |
| PAYE payable | 35,707 | 68,328 | 35,696 | 68,328 |
| Pension payable (Note 24.1) | 19,799 | 17,182 | 19,799 | 17,182 |
| Other non-income taxes | 24,153 | 9,626 | 24,153 | 9,626 |
| Accruals | 373,313 | 312,573 | 362,199 | 312,573 |
| Other payables | 12,053 | 10,148 | 12,053 | 10,148 |
| | <u>1,851,509</u> | <u>1,418,884</u> | <u>1,837,389</u> | <u>1,409,786</u> |

23.1 Pension payable

| | | | | |
|------------------------|---------------|---------------|---------------|---------------|
| Balance at 1 January | 17,182 | 7,655 | 17,182 | 7,655 |
| Charge for the year | 19,206 | 69,152 | 19,206 | 69,152 |
| Remittances | (16,589) | (59,625) | (16,589) | (59,625) |
| Balance at 31 December | <u>19,799</u> | <u>17,182</u> | <u>19,799</u> | <u>17,182</u> |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

24. Deferred income

Deferred income (Note 25.3)
Deferred project income
Lease income received in advance
Deferred income

| Group | | Company | |
|---------|---------|---------|---------|
| 2024 | 2023 | 2024 | 2023 |
| N'000 | N'000 | N'000 | N'000 |
| 105,078 | 199,877 | 105,078 | 199,877 |
| - | 6,303 | - | 6,303 |
| 9,979 | 18,026 | 9,979 | 18,026 |
| 115,057 | 224,206 | 115,057 | 224,206 |
| 83,772 | 166,138 | 83,772 | 166,138 |
| 31,285 | 58,068 | 31,285 | 58,068 |
| 115,057 | 224,206 | 115,057 | 224,206 |

24.1 Non-current

24.2 Current

24.3 It arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry. In year 2023, the Group obtained bank of industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business. The grant will be amortised on a systematic basis over the average useful life of the asset items.

25. Loans and borrowings

Bank of Industry

Analysis of loans and borrowings

25.1 Non current borrowings

25.2 Current borrowings

| Group | | Company | |
|---------|---------|---------|---------|
| 2024 | 2023 | 2024 | 2023 |
| N'000 | N'000 | N'000 | N'000 |
| 337,960 | 345,218 | 337,960 | 345,218 |
| 219,989 | 322,815 | 219,989 | 322,815 |
| 117,971 | 22,403 | 117,971 | 22,403 |

i) Bank of Industry Loan

The loan was obtained to finance the procurement of plant and machinery for the company's paint manufacturing business. The applicable interest rate is 9% per annum. The loan is repayable over a period of 72 months (including a moratorium of 12 months between October 2023 to September 2024).

ii) The loan was obtained to augment working capital for the procurement of raw material. The applicable interest rate is 12% per annum. The loan is repayable over a period of 36 months (including a moratorium of 12 months including October 2023 to September 2024).

25.3 Movement in loans and borrowings

Balance, beginning of year
Additions
Repayment of Principal
Repayment of Interest
Government grant
Interest accrued in profit or loss
Balance, end of the period

| 2024 | 2023 | 2024 | 2023 |
|----------|----------|----------|----------|
| N'000 | N'000 | N'000 | N'000 |
| 345,218 | 25,131 | 345,218 | 25,131 |
| - | 345,604 | - | 345,604 |
| - | (25,131) | - | (25,131) |
| (39,337) | (15,923) | (39,337) | (15,923) |
| - | (12,882) | - | (12,882) |
| 32,079 | 28,419 | 32,079 | 28,419 |
| 337,960 | 345,218 | 337,960 | 345,218 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

26. Dividends

The following dividends were declared and paid by the Company:

| | Per share (kobo) | 2024 N'000 | Per share (kobo) | 2023 N'000 |
|---------------------------|---------------------|---------------|---------------------|---------------|
| Interim Dividend declared | 20 | 57,965 | 20 | 57,965 |
| Dividend Declared | 80 | 231,859 | 70 | 202,876 |

This represents the dividend proposed for the preceding year, but declared in the current period.

26.1 Dividend payable

The movement in dividend payable is as follows:

| | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
|-------------------|---------------|---------------|---------------|---------------|
| At 1 January | 382,281 | 390,796 | 382,281 | 390,796 |
| Declared dividend | 289,823 | 260,841 | 289,823 | 260,841 |
| Payments | (309,347) | (269,356) | (309,347) | (269,356) |
| At 31 December | 362,757 | 382,281 | 362,757 | 382,281 |

27. Related Parties

Related parties include the Group's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group. 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 Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

A Transactions with key management personnel

Key management personnel compensation comprised the following:

| | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
|--------------------------|---------------|---------------|---------------|---------------|
| Short-term benefits | 219,524 | 127,772 | 219,524 | 117,593 |
| Post employment benefits | - | - | - | - |
| | 219,524 | 127,772 | 219,524 | 117,593 |

The aggregate value of transactions and outstanding balances related to key management personnel and other related parties were as follows.

| Related party | Nature of transaction | Transaction values | | Balance Receivable/(Payable) | |
|--------------------------------|-----------------------|--------------------|---------------|------------------------------|---------------|
| | | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Swift Painting Nigeria Limited | Painting services | 95,497 | 6,572 | 56,054 | 30,399 |
| | | 95,497 | 6,572 | 56,054 | 30,399 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

B Other related party transactions

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2024, the subsidiary remained dormant and had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

28. Information regarding subsidiaries

28.1 Subsidiaries

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

| Direct subsidiaries | Principal Activity | Place of incorporation and operation | Proportion of ownership or voting power held by the Group 31-Dec-24 |
|--------------------------------|---|--------------------------------------|---|
| Swift Painting Nigeria Limited | Rendering of professional painting services | Nigeria | 100.00% |

28.2 Investments in subsidiaries

| | | Group | | Company | |
|--------------------------------|---|---------------|---------------|---------------|---------------|
| | | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Swift Painting Nigeria Limited | Rendering of professional painting services | - | - | 20,000.00 | 20,000.00 |
| | | - | - | 20,000.00 | 20,000.00 |

Swift Painting Nigeria Limited

Swift Painting Nigeria Limited was incorporated in 2022 as wholly owned Paints Application subsidiary of Berger Paints Nigeria Plc. The Company started operations on January 1, 2023. The Company's account has been consolidated with that of Berger Paints Nigeria Plc.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Lewis Berger Ghana Limited

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2024, the subsidiary have remained dormant and had not commenced operations. There is no financial information in the records of the subsidiary and as such, the subsidiary has not been consolidated.

29. Financial instruments – Fair values and financial risk management

29.1 Classification of financial instruments and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. As at 31 December 2024, the Group did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

Group

31 December 2024

| | | | | | |
|--|-----------|------------|-----------|---------|-----------|
| Group | | | | | |
| 31 December 2024 | | | | | |
| | | Fair value | | | |
| | Amortized | | | | |
| | Cost | Level 1 | Level 2 | Level 3 | Total |
| Financial assets not measured at fair value | | | | | |
| Other financial assets | 446,983 | - | 446,983 | - | 446,983 |
| Trade and other receivables | 360,672 | - | 360,672 | - | 360,672 |
| Cash and cash equivalents | 237,189 | - | 237,189 | - | 237,189 |
| | 1,044,845 | - | 1,044,845 | - | 1,044,845 |
| Financial liabilities not measured at fair value | | | | | |
| Loans and borrowings | 337,960 | - | 337,960 | - | 337,960 |
| Trade and other payables* | 1,851,509 | - | 1,851,509 | - | 1,851,509 |
| Dividend payable | 362,757 | - | 362,757 | - | 362,757 |
| | 2,552,226 | - | 2,552,226 | - | 2,552,226 |
| Group | | | | | |
| 31 December 2023 | | | | | |
| Financial assets measured at fair value | | | | | |
| Financial assets not measured at fair value | | | | | |
| Other financial assets | 257,122 | - | 257,122 | - | 257,122 |
| Trade and other receivables | 297,129 | - | 297,129 | - | 297,129 |
| Cash and cash equivalents | 802,287 | - | 802,287 | - | 802,287 |
| | 1,356,538 | - | 1,356,538 | - | 1,356,538 |
| Financial liabilities not measured at fair value | | | | | |
| Loans and borrowings | 345,218 | - | 482,334 | - | 482,334 |
| Trade and other payables* | 637,143 | - | 637,143 | - | |
| Dividend payable | 382,281 | - | 382,281 | - | |
| | 1,364,642 | - | 1,501,758 | - | 482,334 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Company

31 December 2024

Financial assets not measured at fair value

| | Amortized Cost | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|------------------|----------|------------------|----------|------------------|
| Other financial assets | 446,983 | - | 446,983 | - | 446,983 |
| Trade and other receivables | 391,095 | - | 391,095 | - | 391,095 |
| Cash and cash equivalents | 211,680 | - | 211,680 | - | 211,680 |
| | <u>1,049,758</u> | <u>-</u> | <u>1,049,758</u> | <u>-</u> | <u>1,049,758</u> |

Financial liabilities not measured at fair value

| | | | | | |
|---------------------------|------------------|----------|------------------|----------|------------------|
| Loans and borrowings | 337,960 | - | 293,861 | - | 293,861 |
| Trade and other payables* | 1,837,389 | - | 1,837,389 | - | 1,837,389 |
| Dividend payable | 362,757 | - | 362,757 | - | 362,757 |
| | <u>2,538,106</u> | <u>-</u> | <u>2,494,007</u> | <u>-</u> | <u>2,494,007</u> |

Company

31 December 2023

Financial assets not measured at fair value

| | | | | | |
|-----------------------------|------------------|----------|------------------|----------|------------------|
| Other financial assets | 257,122 | - | 257,122 | - | 257,122 |
| Trade and other receivables | 310,035 | - | 310,035 | - | 310,035 |
| Cash and cash equivalents | 798,037 | - | 798,037 | - | 798,037 |
| | <u>1,365,194</u> | <u>-</u> | <u>1,365,194</u> | <u>-</u> | <u>1,365,194</u> |

Financial liabilities not measured at fair value

| | | | | | |
|---------------------------|------------------|----------|------------------|----------|------------------|
| Loans and borrowings | 345,218 | - | 482,334 | - | 482,334 |
| Trade and other payables* | 628,045 | - | 628,045 | - | 628,045 |
| Dividend payable | 382,281 | - | 382,281 | - | 382,281 |
| | <u>1,355,544</u> | <u>-</u> | <u>1,492,660</u> | <u>-</u> | <u>1,492,660</u> |

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, Pay As You Earn (PAYE) payable, Pension payable and other non-income taxes payables.

The carrying amount of financial instrument such as short term trade and other receivables, other financial asset, cash and cash equivalent, trade and other payables and dividend payable are a reasonable approximation of their fair values due to their short term maturity and the consequent insignificant impact of discounting. Hence, no further fair value information has been disclosed.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- (i) quoted market prices or dealer quotes for similar instruments;
- (ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Adjustment to level 2 inputs will vary depending on factors specific to the asset or liability such as the location or condition of the asset.

b) Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

i) Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Strategy and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by the Internal Audit Function, outsourced to Bamidele Daramola & Co.

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Group | | Company | |
|---|----------------|------------------|----------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Trade and other receivables (See (a) below) | 268,213 | 295,357 | 332,378 | 277,864 |
| Cash and cash equivalents (excluding cash at hand) (See (b) below) | 237,100 | 802,218 | 211,591 | 797,968 |
| Other financial assets (See (b) below) | 446,983 | 257,122 | 446,983 | 257,122 |
| | 952,297 | 1,354,697 | 990,952 | 1,332,954 |
| a) Trade and other receivables | | | | |
| Net trade and lease receivables (See a(i) below) | 241,625 | 203,495 | 215,994 | 186,002 |
| Deposit with Company registrar (See a(ii) below) | - | 89,796 | 89,796 | 89,796 |
| Staff debtors (See a(iii) below) | 3,692 | 1,760 | 3,692 | 1,760 |
| Other receivables (See a(iii) below) | 22,896 | 306 | 22,896 | 306 |
| | 268,213 | 295,357 | 332,378 | 277,864 |

(i) Net trade and lease receivables

The Company's exposure to credit risk in respect of trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The Company has pledged no trade receivables during the period.

The Group limits its credit risk from trade receivable by establishing a maximum payment of 30 and 60 days depending on the customer credit rating.

Concentration of risk

At 31 December 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

| | Carrying amount | | | |
|---|-----------------|----------------|----------------|----------------|
| | Group | | Company | |
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Wholesale customers | 70,186 | 55,463 | 70,186 | 55,463 |
| Retail customers (Home owners) | 28,594 | 39,006 | 28,594 | 21,513 |
| Others (Corporates) | 161,168 | 124,901 | 161,168 | 124,901 |
| Lease receivable | 89,804 | 89,804 | 89,804 | 89,804 |
| | 349,752 | 309,174 | 349,752 | 291,681 |
| Impairment losses on financial assets recognised in profit or loss were as follows: | | | | |
| - Impairment loss on trade receivable arising from contracts f | 19,653 | 21,991 | 19,653 | 21,991 |
| - Impairment loss on investment property lease contracts | 89,804 | 83,688 | 89,804 | 83,688 |
| | 109,457 | 105,679 | 109,457 | 105,679 |
| Net trade and lease receivables | 240,295 | 203,495 | 240,295 | 186,002 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Concentration of risk (cont'd)

The Group uses an allowance matrix to measure the expected credit loss (ECL) from trade receivables from sale of paints and rental of investment property. The exposures are calculated separately for each segment based on their common characteristics. Loss rates are calculated based on actual loss experienced over the past three years. These rates adjusted by a scalar factor to reflect differences in economic conditions during the period over which the historical data has been collected and the Group's view of economic conditions over the expected lives of the receivables. The scalar factor is based on forecasted inflation rates and industry outlook.

At 31 December 2024, the ageing of trade receivables was as follows:

| | Credit impaired | Weighted average loss | Gross N'000 | Impairment N'000 | Net N'000 |
|--|-----------------|-----------------------|----------------|------------------|----------------|
| Group | | | | | |
| 31 December 2024 | | | | | |
| Current (not past due) | No | 0% | 17,493 | - | 17,493 |
| Past due 1–30 days | No | 0% | 85,178 | - | 85,178 |
| Past due 31–60 days | No | 0% | 110 | - | 110 |
| Over 61 days due | No | 0% | 33,361 | - | 33,361 |
| | | | 136,141 | 0 | 136,141 |
| Company | | | | | |
| 31 December 2024 | | | | | |
| Current (not past due) | No | 0% | - | - | - |
| Past due 1–30 days | No | 0% | 85,178 | - | 85,178 |
| Past due 31–60 days | No | 0% | 110 | - | 110 |
| Over 61 days due | No | 0% | 33,361 | - | 33,361 |
| | | | 118,649 | - | 118,649 |
| 31 December 2023 | | | | | |
| Current (not past due) | No | 0% | 62,624 | - | 62,624 |
| Past due 1–30 days | No | 8% | 71,422 | (756) | 70,666 |
| Past due 31–60 days | No | 12% | 37,225 | (3,958) | 33,267 |
| Over 61 days due | Yes | 56% | 30,606 | (17,277) | 13,329 |
| | | | 201,877 | (21,991) | 179,886 |
| At 31 December 2024, the ageing of lease receivables was as follows: | | | | | |
| Group | | | | | |
| 31 December 2024 | | | | | |
| Current (not past due) | No | 0% | 6,116 | - | 6,116 |
| Over 61 days due | Yes | 100% | 83,688 | (83,688) | 0 |
| | | | 89,804 | (83,688) | 6,116 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

| | Credit impaired | Weighted average loss | Gross N'000 | Impairment N'000 | Net N'000 |
|-------------------------|-----------------|-----------------------|---------------|------------------|--------------|
| Company | | | | | |
| 31 December 2024 | | | | | |
| Current (not past due) | No | 0% | 6,116 | - | 6,116 |
| Over 61 days due | Yes | 100% | 83,688 | (83,688) | - |
| | | | <u>89,804</u> | <u>(83,688)</u> | <u>6,116</u> |
| 31 December 2023 | | | | | |
| Current (not past due) | No | 0% | 6,116 | - | 6,116 |
| Over 61 days due | Yes | 100% | 83,688 | (83,688) | - |
| | | | <u>83,688</u> | <u>(83,688)</u> | <u>-</u> |

The Group does not hold collateral on these balances. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Movement in the allowance for impairment in respect of trade receivable during the period was as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | N'000 | N'000 | N'000 | N'000 |
| Balance as at 1 January | 105,679 | 184,030 | 105,679 | 184,030 |
| Bad debt written off | - | (33,786) | - | (33,786) |
| (Write back)/Impairment loss of receivables | 3,778 | (44,566) | 3,778 | (44,566) |
| Balance as at 31 December | <u>109,457</u> | <u>105,679</u> | <u>109,457</u> | <u>105,679</u> |

(ii) Deposit with Company Registrar

This represents amounts held with the Company registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines. The Company's registrar is Meristem Registrars Limited. The Company has assessed the credit risk as low and the ECL is immaterial.

(iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Group's building properties to third parties and receivables from employees. These receivables are payable on demand and its contractual period is less than 12 months. The Group has assessed the counter parties to have sufficient net liquid assets and are considered to be low credit risk, hence, the expected expected credit loss is immaterial. Consequently, the Group has not incurred impairment loss in respect of staff debtors and other receivables.

(b) Cash and cash equivalents and other financial asset:

The Group and Company held cash and cash equivalents and other financial asset as at 31 December 2024 amounting to ₦237.2 million and ₦446.9 million and ₦211.7million and ₦446.9 (2023: ₦802 million) and ₦257 million (2023: ₦798 million and ₦257million) respectively which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Group manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposures. The Group considered that its cash and cash equivalent and other financial asset have low credit risk and the assessed ECL is not considered material.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

iii). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December, 2024, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦268 million and ₦242 million (2023: ₦203 million and ₦186 million) respectively. This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Group

31 December 2024

| | Contractual cash flows | | | | | | |
|---------------------------|------------------------|-----------|------------------|-------------|-------------|-------------|-------------------|
| 31 December 2024 | Carrying Amount | Total | 6 months or less | 6-12 months | 1 – 2 years | 2 – 5 years | More than 5 years |
| Loans and borrowings | 337,960 | 337,960 | - | 28,538 | 119,490 | 143,308 | 46,624 |
| Trade and other payables* | 1,851,509 | 1,851,509 | 1,851,509 | - | - | - | - |
| Dividend payable | 362,757 | 362,757 | 362,757 | - | - | - | - |
| | 2,552,226 | 2,552,226 | 2,214,266 | 28,538 | 119,490 | 143,308 | 46,624 |

Company

31 December 2024

| 31 December 2024 | Contractual cash flows | | | | | | |
|---------------------------|------------------------|-----------|------------------|-------------|-------------|-------------|-------------------|
| | Carrying Amount | Total | 6 months or less | 6-12 months | 1 – 2 years | 2 – 5 years | More than 5 years |
| Loans and borrowings | 337,960 | 337,960 | - | 28,538 | 119,490 | 143,308 | 46,624 |
| Trade and other payables* | 1,837,389 | 1,837,389 | 1,682,684 | - | - | - | - |
| Dividend payable | 362,757 | 362,757 | 362,757 | - | - | - | - |
| Lease liability | - | - | - | - | - | - | - |
| | 2,538,106 | 2,538,106 | 2,045,441 | 28,538 | 119,490 | 143,308 | 46,624 |

Company

31 December 2023

| | Contractual cash flows | | | | | | |
|------------------------------|------------------------|------------------|------------------|----------------|----------------|----------------|-------------------|
| <i>In thousands of naira</i> | Carrying Amount | Total | 6 months or less | 6-12 months | 1 – 2 years | 2 – 5 years | More than 5 years |
| Loans and borrowings | 345,218 | 482,334 | - | 28,538 | 228,308 | 178,864 | 46,624 |
| Trade and other payables* | 1,228,506 | 1,228,506 | 614,253 | 614,253 | - | - | - |
| Dividend payable | 382,281 | 286,711 | 191,141 | 95,570 | - | - | - |
| | 1,956,005 | 1,997,551 | 805,394 | 738,361 | 228,308 | 178,864 | 46,624 |

*Trade and other payables excludes statutory deductions such as non-income tax and pension payables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv). Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

1. Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The functional currency of the Group is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (N), Euro (€), US Dollars (US\$) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. The Group monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

| Group | 31 December 2024 | | | 31 December 2023 | | |
|--|-------------------|-------|-----|------------------|-----|-----|
| | US\$ | € | GBP | US\$ | € | GBP |
| Foreign currency included in cash and cash equivalents | 27,829 | 1,940 | 356 | 72,216 | 973 | 356 |
| Company | 30 September 2024 | | | 31 December 2023 | | |
| | US\$ | € | GBP | US\$ | € | GBP |
| Foreign currency included in cash and cash equivalents | 27,829 | 1,940 | 356 | 72,216 | 973 | 356 |

The following significant exchange rates were applied:

Group

Naira

US\$ 1

€ 1

GBP 1

| Average rate during the | | Year end spot rate | |
|-------------------------|-----------|--------------------|-----------|
| 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| 1541.00 | 899.90 | 1535.82 | 951.29 |
| | 993.10 | 1710.00 | 1052.49 |
| | 1,144.00 | 2110.00 | 1142.79 |

Company

Naira

US\$ 1

€ 1

GBP 1

| Average rate during the year | | Year end spot rate | |
|------------------------------|-----------|--------------------|-----------|
| 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| 1541.00 | 899.90 | 1485.00 | 951.29 |
| | 993.10 | 1642.71 | 1052.49 |
| | 1,144.00 | 1783.24 | 1142.79 |

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the naira against all other currencies at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

Group and Company

31 December 2024

US\$ (20% movement)

€ (20% movement)

GBP (20% movement)

Company

31 December 2023

US\$ (20% movement)

€ (20% movement)

GBP (20% movement)

| | Profit or loss | |
|---------------------|------------------------|--------------------|
| | Strengthening N'000 | Weakening N'000 |
| US\$ (20% movement) | 1,936 | (1,936) |
| € (20% movement) | 21 | (21) |
| GBP (20% movement) | 9 | (9) |
| US\$ (20% movement) | 13,740 | (8,236) |
| € (20% movement) | 205 | (205) |
| GBP (20% movement) | 81 | (81) |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

Interest rate risk

The Group and Company adopts a policy of ensuring that all its interest rate risk exposure is at fixed rate. This is achieved by entering into fixed rate instruments.

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the overall duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

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

| | Nominal amount | |
|-------------------------------|----------------|----------------|
| | 2024 N'000 | 2023 N'000 |
| Group | | |
| Fixed rate instruments | | |
| Financial liabilities: | | |
| Short term borrowings | 117,971 | 22,403 |
| Long term borrowing | 219,989 | 322,815 |
| | 337,960 | 345,218 |
| Company | | |
| Fixed rate instruments | | |
| Financial liabilities: | | |
| Short term borrowings | 117,971 | 22,403 |
| Long term borrowing | 219,989 | 322,815 |
| | 337,960 | 345,218 |

Fair value sensitivity analysis for fixed rate instruments

The Group and Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and Company does not have any variable rate financial assets and liabilities as at 31 December 2024 (December 2023: Nil).

(c). Capital management

The Group and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. This is done by using a ratio of adjusted net debt to adjusted equity. Adjusted net debt has been defined as total liabilities, comprising loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group and Company's adjusted net debt to equity ratio at 31 December 2024, were as follows.

| | 2024 N'000 | 2023 N'000 |
|---------------------------------|---------------|---------------|
| | | |
| Group | | |
| <i>In thousands of naira</i> | | |
| Total liabilities | 3,693,000 | 3,088,667 |
| Less: Cash and Cash equivalents | (237,189) | (802,287) |
| Adjusted net debt | 3,455,811 | 2,286,380 |
| Total Equity | 3,828,336 | 3,507,934 |
| Net debt to equity ratio | 0.90 | 0.65 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

| Company | 2024 N'000 | 2023 N'000 |
|---------------------------------|------------------|------------------|
| Total liabilities | 3,678,880 | 3,079,569 |
| Less: Cash and Cash equivalents | (211,680) | (798,037) |
| Adjusted net debt | <u>3,467,200</u> | <u>2,281,532</u> |
| Total Equity | <u>3,855,900</u> | <u>3,531,401</u> |
| Net debt to equity ratio | 0.90 | 0.65 |

30. Leases

A. Leases as Lessee (IFRS 16)

The Group and Company leases land which is for a minimum lease term of 99 years. This lease was entered into several years ago and was classified as leasehold land.

As at 31 December 2024, the Group and Company has ongoing lease arrangement for the right to use of motor vehicles, required for the replacement of aged sales field force vehicles and part of administrative/operations use. The lease expires in 2022; however, management has the intention to exercise the purchase option.

Right of use assets related to leased assets are presented as property, plant and equipment (see Note 14(f)). Interest on lease liabilities as well as the repayments of the lease has been included in loans and borrowings (see Note 26(a)).

B. Leases as Lessor

The Group and Company leases out its investment property consisting of its owned commercial properties (see Note 16).

The Group and Company has clasified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the investment property.

a. Future minimum lease payments

At as 31 December, 2024 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2023 : Nil).

| | Group | | Company | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2024 N'000 | 2023 N'000 | 2024 N'000 | 2023 N'000 |
| Less than one year | 69,942 | 69,942 | 69,942 | 69,942 |
| Between one and five years | 19,862 | 19,862 | 19,862 | 19,862 |
| | <u>89,804</u> | <u>89,804</u> | <u>89,804</u> | <u>89,804</u> |

b. Amounts recognised in profit or loss

Investment property lease income recognised for the year is ₦14.8 million (2023 : ₦33 million) and was included in 'Other income' (note 6). Depreciation expense on the investment property was included in 'Expenses' (note 9(b)).

31. Provision of Non Audit Services

There is no other services apart form audit services render to the client for the year ended 31 December 2024.

32. Contingencies

There is a pending litigation as at 31 December 2024 arising from the litigation case between Sowerscreed Ventures Limited vs the Company where the Claimant has sued on the breach of the outsourced business partnership agreement between the parties. The contingent liabilities in respect of pending litigation based on response from Solicitors was N100 million (2023 : Nil). In the opinion of the Directors and based on the response from the Legal Adviser, no payment will be made in respect of the pending litigation.

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

33. Subsequent events

There were no other events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

34. Operating segments

a) Basis of segmentation

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different process and marketing strategies. For each of the strategic business units, the Company's Management Committee review internal management reports on a weekly basis. The following summary describes the operations in each of the Company's reportable segments:

| Reportable segments | Operations |
|-----------------------------------|---|
| Paints and allied products | Manufacturing, distributing and selling of paints and allied products |
| Contract revenue | Rendering of painting services |
| Investment property rental income | Investment property rentals |

The accounting policies of the reportable segments are described in Notes 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Group and Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

b) Information about reportable segments

Group

Profit or loss

| | Paints and allied products | Contract revenue | Investment property rental income | Unallocated | Total |
|---|----------------------------|------------------|-----------------------------------|-------------|------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| 31 December 2024 | | | | | |
| External revenues | 10,831,911 | 122,667 | 21,592 | - | 10,976,170 |
| Finance income | - | - | - | 41,611 | 41,611 |
| Finance costs | - | - | - | (32,079) | (32,079) |
| Depreciation & amortisation | 230,469 | - | (20,304) | - | 210,165 |
| Writeback/ (Impairment loss) on trade receivables | - | - | - | - | 78,351 |
| Reportable segment profit/(loss) before taxation | 1,018,580 | 99,406 | 1,288 | 9,532 | 1,128,806 |

Notes to the Consolidated and Separate Financial Statements (Cont'd)

For the year ended 31 December 2024

b) Information about reportable segments (cont'd)

Company

Profit or loss

| | Paints and allied products | Contract revenue | Investment property rental income | Unallocated | Total |
|---|----------------------------|------------------|-----------------------------------|-------------|------------|
| 31 December 2024 | | | | | |
| External revenues | 10,739,502 | 30,257 | 21,592 | - | 10,791,351 |
| Finance income | - | - | - | 41,611 | 41,611 |
| Finance costs | - | - | - | (32,079) | (32,079) |
| Depreciation & amortisation | 227,688 | - | (20,304) | - | 207,384 |
| Writeback/ (Impairment loss) on trade receivables | - | - | - | - | 78,351 |
| Reportable segment profit /(loss) before taxation | 1,115,088 | 6,996 | 1,288 | 9,532 | 1,132,904 |
| 31 December 2023 | | | | | |
| External revenues | 7,603,703 | 306,478 | 33,315 | - | 7,943,496 |
| Finance income | - | - | - | 40,546 | 40,546 |
| Finance costs | - | - | - | (28,419) | (28,419) |
| Depreciation & amortisation | (214,869) | - | (20,360) | - | (235,229) |
| Impairment loss on trade receivables | 44,566 | - | - | - | - |
| Reportable segment profit before | 677,243 | 97,457 | 12,955 | 12,127 | 799,782 |

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Management Committee) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

Revenues

There are no significant reconciling items between the reportable segment revenue and revenue for the period.

Profit or loss

Total profit or loss before taxation for reportable segments

Unallocated finance income

Unallocated finance costs

Profit before taxation

| Group | 2024 | 2023 | Company | 2024 | 2023 |
|--|-----------|----------|---------|-----------|----------|
| | N'000 | N'000 | | N'000 | N'000 |
| Total profit or loss before taxation for reportable segments | 1,119,274 | 764,189 | | 1,123,372 | 787,656 |
| Unallocated finance income | 41,611 | 40,546 | | 41,611 | 40,546 |
| Unallocated finance costs | (32,079) | (28,419) | | (32,079) | (28,419) |
| Profit before taxation | 1,128,806 | 776,316 | | 1,132,904 | 799,783 |

Other material items

There are no significant reconciling items between other material items for the reportable segments and Company total.

Major customer

Revenue from one customer does not represent up to 10% of the Group's total revenue. Therefore, information on major customers is not presented.

Other National Disclosures

Value Added Statement

For the year ended 31 December 2024

| | Note | 2024 | Group % | 2023 | % | 2024 | Company % | 2023 | |
|-------------------------------------|-------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|
| Sales | 5 | 10,831,911 | | 7,968,979 | | 10,739,502 | | 7,910,181 | |
| Finance income | 7 | 41,611 | | 53,458 | | 41,611 | | 53,458 | |
| Other income | 6 | 126,807 | | 83,985 | | 126,807 | | 83,985 | |
| | | <u>11,000,330</u> | | <u>8,106,422</u> | | <u>10,907,920</u> | | <u>8,047,624</u> | |
| Bought in materials and services: | | | | | | | | | |
| - Imported | | (1,440,000) | | (440,679) | | (1,440,000) | | (440,679) | |
| - Local | | <u>(6,990,719)</u> | | <u>(5,782,420)</u> | | <u>(6,917,284)</u> | | <u>(5,712,028)</u> | |
| Value added | | <u>2,569,610</u> | <u>100</u> | <u>1,883,323</u> | <u>100</u> | <u>2,550,636</u> | <u>100</u> | <u>1,894,917</u> | <u>100</u> |
| Distribution of value added | | | | | | | | | |
| To Employees: | | | | | | | | | |
| Personnel expenses | 10(a) | 1,147,216 | 45 | 841,665 | 45 | 1,147,216 | 45 | 831,486 | 44 |
| To Providers of Finance: | | | | | | | | | |
| Interest on loans | 7 | 32,079 | 1 | 28,419 | 2 | 32,079 | 1 | 28,419 | 1 |
| To Government: | | | | | | | | | |
| Taxation | 11(a) | 517,944 | 20 | 330,986 | 18 | 517,944 | 20 | 330,986 | 17 |
| Retained in the business as: | | | | | | | | | |
| Depreciation | 9(b) | 250,760 | 10 | 226,046 | 12 | 227,688 | 9 | 224,352 | 12 |
| Amortisation | 15 | 10,749 | - | 10,877 | 1 | 10,749 | - | 10,877 | 1 |
| To augment reserve | | <u>610,862</u> | <u>24</u> | <u>445,330</u> | <u>24</u> | <u>614,960</u> | <u>24</u> | <u>468,797</u> | <u>24</u> |
| | | <u>2,569,610</u> | <u>100</u> | <u>1,883,323</u> | <u>100</u> | <u>2,550,636</u> | <u>99</u> | <u>1,894,917</u> | <u>100</u> |

Value added is wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth.

Five-Year Financial Summary

For the year ended 31 December 2024

| | 2024 N'000 | 2023 N'000 | 2022 N'000 | 2021 N'000 | 2020 N'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Fund employed | | | | | |
| Share capital | 144,912 | 144,912 | 144,912 | 144,912 | 144,912 |
| Share premium | 635,074 | 635,074 | 635,074 | 635,074 | 635,074 |
| Retained earnings | 3,075,914 | 2,751,415 | 2,543,459 | 2,450,717 | 2,366,986 |
| Shareholder's fund | 3,855,899 | 3,531,401 | 3,323,445 | 3,230,703 | 3,146,972 |
| Current liabilities | 2,835,193 | 2,056,868 | 1,690,196 | 1,439,061 | 1,328,867 |
| Non current liabilities | 843,687 | 1,022,701 | 514,887 | 440,905 | 496,033 |
| | 7,534,780 | 6,610,970 | 5,528,528 | 5,110,669 | 4,971,872 |
| Asset employed | | | | | |
| Non current assets | 2,982,986 | 2,897,482 | 2,883,117 | 3,064,279 | 3,212,821 |
| Current assets | 4,551,794 | 3,713,488 | 2,645,411 | 2,046,390 | 1,759,051 |
| | 7,534,780 | 6,610,970 | 5,528,528 | 5,110,669 | 4,971,872 |
| Profit or loss account | | | | | |
| Revenue | 10,739,502 | 7,910,181 | 6,331,634 | 4,964,796 | 3,837,582 |
| Profit before tax | 1,132,904 | 799,783 | 387,790 | 190,761 | 211,850 |
| Profit for the year | 614,960 | 468,797 | 208,670 | 135,635 | 146,028 |
| Dividend declared | | 260,841 | 115,929 | 115,929 | 72,456 |
| Basic and diluted earnings per share - (N) | 212 | 162 | 72 | 47 | 50 |
| Interim declared dividend per share (kobo) | 20 | 20 | - | - | - |
| Final dividend declared per share (kobo) | 100 | 80 | 40 | 40 | 25 |

Earnings per share is calculated based on profit after tax attributable to ordinary shareholders divided by the issued ordinary shares at the end of each financial year.

Net assets is calculated based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

Shareholders' Information

SUBSTANTIAL INTEREST IN SHARES

1. The Registrars have confirmed that according to the Registrar of Members, the following shareholders held 5% and above of the issued share capital of the Company as at 31 December 2024 .

| S/N | MEMBER | HOLDING | % |
|-----|---------------------------------|-------------------|--------------|
| 1. | JUREWA INVESTMENTS LTD | 17,670,573 | 6.1 |
| 2. | CAB (OVERSEAS HOLDINGS) LIMITED | 16,315,506 | 5.63 |
| 3. | ALEMAJE AND COMPANY LIMITED | 16,315,506 | 5.63 |
| 4. | HARMONY TRUST & INV CO. LTD | 20,000,000 | 6.9 |
| 5. | MIKEADE INVESTMENTS CO.LTD | 19,196,095 | 6.62 |
| | Total | 89,497,680 | 30.88 |

2. Active Shareholding Analysis as at 31 December 2024.

| RANGE | HOLDERS | % | VOLUME | % |
|-------------------|--------------|------------|------------------|------------|
| 1 - 1000 | 15951 | 44.2837 | 7088575 | 2.4458 |
| 1001 - 5000 | 15955 | 44.2948 | 30720783 | 10.5998 |
| 5001 - 10000 | 2116 | 5.8745 | 14846438 | 5.1226 |
| 10001 - 50000 | 1575 | 4.3726 | 30771475 | 10.6173 |
| 50001 - 100000 | 211 | 0.5858 | 14997132 | 5.1746 |
| 100001 - 500000 | 171 | 0.4747 | 34970937 | 12.0663 |
| 500001 - 1000000 | 22 | 0.0611 | 15366488 | 5.302 |
| 1000001 - 5000000 | 11 | 0.0305 | 20160641 | 6.9562 |
| 10000001 - ABOVE | 8 | 0.0222 | 120900978 | 41.7154 |
| TOTAL | 35385 | 100 | 289823447 | 100 |

Declaration: We hereby declare that no other individual(s) holds above 5% of the Issued and Fully paid shares of the Company.

Shareholders' Information (Cont'd)

Members are hereby informed that Berger Paints Nigeria Plc. declared the following dividends between 1995 and 2024.

| PAYMENT NO | TYPE | DATE DECLARED |
|------------|---------|---------------|
| 22 | FINAL | 7/Jun/1995 |
| 23 | FINAL | 4/Jun/1996 |
| 24 | FINAL | 3/Jun/1997 |
| 25 | FINAL | 2/Jun/1998 |
| 26 | FINAL | 1/Jun/1999 |
| 27 | FINAL | 5/Jun/2001 |
| 28 | FINAL | 4/Jun/2002 |
| 29 | FINAL | 3/Jun/2003 |
| 30 | FINAL | 2/Jun/2004 |
| 31 | FINAL | 8/Jun/2005 |
| 32 | FINAL | 8/Jun/2005 |
| 33 | FINAL | 16/Jun/2009 |
| 34 | FINAL | 6/Jun/2010 |
| 35 | FINAL | 30/Jun/2011 |
| 36 | FINAL | 3/Jul/2012 |
| 37 | FINAL | 14/May/2013 |
| 38 | FINAL | 22/Jul/2014 |
| 39 | FINAL | 21/Jul/2015 |
| 40 | FINAL | 9/Jun/2016 |
| 41 | FINAL | 18/May/2017 |
| 42 | FINAL | 6/Jul/2018 |
| 43 | FINAL | 24/May/2019 |
| 44 | FINAL | 24/Jun/2020 |
| 45 | FINAL | 20/May/2021 |
| 46 | FINAL | 19/May/2022 |
| 47 | FINAL | 24/May/2023 |
| 48 | INTERIM | 16/Nov/2023 |
| 49 | FINAL | 14/May/2024 |
| 50 | INTERIM | 18/Nov/2024 |

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Notice is hereby given to our shareholders that some dividends have remained unclaimed as the registrars' records indicate. Many share certificates have also been returned as unclaimed because the addresses on them could not be traced or the shareholders had changed their addresses without informing the registrars.

The affected shareholders are requested to contact Meristem Registrars, who have informed us that they are e-dividend payment ready. Shareholders are kindly requested to take advantage of this to reduce the unclaimed dividend problems and in accordance with the directive from the Securities and Exchange commission.

For more information please contact:
 Meristem Registrars Limited,
 213, Herbert Macaulay Way, Adekunle Yaba, Lagos.
 P. O. Box 51585, Ikoyi, Lagos.
 Phone: 01-8920491-2, 0700MERIREG
 Email: info@meristemregistrars.com
 Website: www.meristemregistrars.com

E-DIVIDEND MANDATE ACTIVATION

Shareholders are advised to visit the link below for the e-dividend mandate activation and upload:
<https://docuhub3.nibss-plc.com.ng/edmmms/self-service>

Shareholders' Information (Cont'd)

SCHEDULE OF UNCLAIMED DIVIDENDS

| S/N | Div No | Amount Of Dividend Declared (Gross)(N) | Amount Of Dividend Received (N) | Total Dividend Paid Till Date (N) | Unpaid Dividend Till Date (N) | Total Amount Returned to Company (N) | Balance With Registrars (N) |
|-----|--------|--|---------------------------------|-----------------------------------|-------------------------------|--------------------------------------|-----------------------------|
| 1 | 33 | 65,210,275.50 | 58,689,247.95 | 49,951,688.35 | 8,737,559.60 | 8,737,559.60 | - |
| 2 | 34 | 108,683,792.50 | 97,815,413.25 | 81,760,334.96 | 16,055,078.29 | 16,055,078.29 | - |
| 3 | 35 | 152,157,309.50 | 136,941,578.55 | 100,790,258.94 | 36,151,319.61 | 36,151,319.61 | - |
| 4 | 36 | 152,157,309.50 | 136,941,578.55 | 113,568,720.41 | 23,372,858.14 | 23,372,858.14 | - |
| 5 | 37 | 152,157,309.50 | 136,941,578.55 | 104,937,165.90 | 32,004,412.65 | 27,456,472.06 | 4,547,940.59 |
| 6 | 38 | 202,876,412.90 | 182,823,330.76 | 155,952,288.52 | 26,871,042.24 | 22,767,801.42 | 4,103,240.82 |
| 7 | 39 | 217,367,585.25 | 196,331,041.10 | 167,055,528.93 | 29,275,512.17 | 24,759,629.40 | 4,515,882.77 |
| 8 | 40 | 217,367,585.25 | 196,513,418.93 | 163,389,901.30 | 33,123,517.63 | 26,950,043.83 | 6,173,473.80 |
| 9 | 41 | 144,911,773.50 | 132,549,753.45 | 105,752,122.05 | 26,797,631.40 | 23,505,849.14 | 3,291,782.26 |
| 10 | 42 | 144,911,723.50 | 131,535,278.05 | 96,642,158.35 | 34,893,119.70 | 27,226,522.79 | 7,666,596.91 |
| 11 | 43 | 188,385,240.55 | 160,262,655.48 | 115,856,168.28 | 44,406,487.20 | 39,294,183.92 | 5,112,303.28 |
| 12 | 44 | 72,455,861.75 | 72,455,861.75 | 51,787,242.42 | 20,668,619.33 | 17,886,206.04 | 2,782,413.29 |
| 13 | 45 | 115,929,378.80 | 105,153,904.28 | 76,113,884.00 | 29,040,020.28 | 26,393,304.71 | 2,646,715.57 |
| 14 | 46 | 115,929,378.80 | 104,496,404.36 | 76,386,393.32 | 28,110,011.04 | 26,006,013.90 | 2,103,997.14 |
| 15 | 47 | 202,876,412.90 | 182,868,954.66 | 131,483,005.57 | 51,385,949.09 | | 51,385,949.09 |
| 16 | 48 | 57,964,689.40 | 52,248,350.98 | 38,095,769.98 | 14,152,581.00 | | 14,152,581.00 |
| 17 | 49 | 231,858,757.60 | 208,993,409.20 | 150,866,865.28 | 58,126,543.92 | | 58,126,543.92 |
| 18 | 50 | 57,964,688.69 | 52,248,352.30 | 38,009,547.70 | 14,238,804.60 | | 14,238,804.60 |
| | | 2,601,165,485.39 | 2,345,810,112.15 | 1,818,399,044.26 | 527,411,067.89 | 346,562,842.85 | 180,848,225.04 |

SHARE CAPITALISATION HISTORY

| Date | Authorised Shares | | Issued and Fully Paid Shares | | Consideration |
|------------|-------------------|-------------|------------------------------|-------------|--------------------------------------|
| | Value (N) | Shares | Value (N) | Share | |
| 1/9/1959 | 500,000 | 500,000 | ***** | ***** | Initial share capital |
| 4/27/1961 | 500,000 | 500,000 | 50,000 | 50,000 | Goodwill |
| 2/10/1962 | 500,000 | 500,000 | 437,514 | 427,514 | Cash |
| 6/27/1972 | 1,600,000 | 3,200,000 | 427,514 | 875,028 | Increase in authorised share capital |
| 8/1/1972 | 1,600,000 | 3,200,000 | 531,514 | 1,063,028 | Asset purchased |
| 12/21/1972 | 1,600,000 | 3,200,000 | 863,704 | 1,727,408 | Bonus (2:3) |
| 5/25/1976 | 6,000,000 | 12,000,000 | 863,704 | 1,727,408 | Increase in authorised share capital |
| 5/27/1980 | 7,200,000 | 14,400,000 | 7,200,000 | 14,400,000 | Bonus (1:2) |
| 6/12/1986 | 10,800,000 | 21,600,000 | 10,800,000 | 21,600,000 | Bonus (1:2) |
| 5/30/1989 | 16,200,000 | 32,400,000 | 16,200,000 | 32,400,000 | Bonus (1:2) |
| 5/29/1990 | 21,600,000 | 43,200,000 | 21,600,000 | 43,200,000 | Cash |
| 5/27/1992 | 58,200,000 | 116,400,000 | 36,600,000 | 73,200,000 | cash |
| 5/7/1995 | 76,500,000 | 153,000,000 | 54,900,000 | 109,800,000 | Bonus (1:2) |
| 6/1/1999 | 109,800,000 | 219,600,000 | 94,382,467 | 188,764,934 | rights Issue (1:3) |
| 6/1/1999 | 109,800,000 | 219,600,000 | 94,382,467 | 188,764,934 | Public Offer |
| 6/5/2001 | 109,800,000 | 219,600,000 | 108,683,793 | 217,367,585 | Bonus (1:7) |
| 6/1/2004 | 160,000,000 | 320,000,000 | 108,683,793 | 217,367,585 | Increase in authorised share capital |
| 7/8/2008 | 400,000,000 | 800,000,000 | 108,683,793 | 217,367,585 | Increase in authorised share capital |
| 11/18/2013 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | Rights Issue (1:3) |
| 2014 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2015 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2016 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2017 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2018 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2019 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2020 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2021 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2022 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2023 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |
| 2024 | 400,000,000 | 800,000,000 | 144,911,724 | 289,823,447 | NIL |

Shareholders' Information (Cont'd)

CONSOLIDATION OF ACCOUNTS

Dear Shareholders,

Records with our Registrars and as revealed by the Register of Members show that some members have more than one accounts in their names. This situation may have arisen as a result of multiple applications made during new issues or as a result of purchases made through the Stock Market. Servicing these accounts is a huge administrative problem resulting in avoidable costs e.g. postages, maintenance, issuance of certificates, etc. These ultimately have an impact on the profit of your company.

The company appeals to you to make efforts to consolidate your multiple accounts, more especially to facilitate the operations and to save the company costs. We ask for your co-operation in this respect. Please complete the consolidation Request Form below and send it to the Registrars, Meristem Registrars Limited.

Kindly state in your request for consolidation the names/addresses of those persons you bought shares for during any public offers by the company and at the secondary market besides yourself i.e. your children, grandchildren, etc. certificates should not be forwarded.

Tear off here



CONSOLIDATION OF ACCOUNTS FORM

DATE: _____

DEAR SIR/MADAM,

KINDLY CONSOLIDATE/MERGE MY ACCOUNT NOS: _____, _____, _____ INTO _____

NAME OF COMPANY: _____

NAME OF SHAREHOLDER: _____
(SURNAME FIRST) (OTHER NAMES)

SHAREHOLDER'S ADDRESS: _____

PHONE NO.: _____

E-MAIL ADDRESS: _____

SHAREHOLDER(S) SIGNATURE(S): 1. _____

2. _____

213, Herbert Macaulay Way, Adekunle-Yaba, P.O. Box 51585, Falomo-Ikoyi, Lagos.
Phone: 01-8920491, 8920492, Fax: 01-2702361 E-Mail: info@meristemregistrars.com, Website: www.meristemregistrars.com
Directors: Sylvester I. C. Okoli (Chairman), Ishaya Shekari, OON, MNI, Laitan Onalaja, OFR, Oluwole Abegunde, Mubo Olasoko (Registrar/CEO)

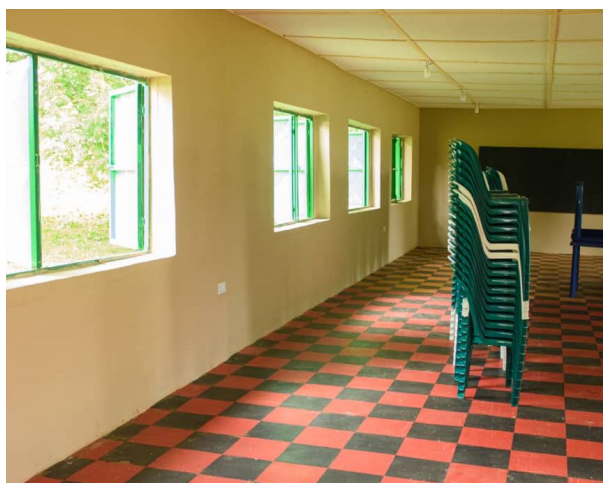
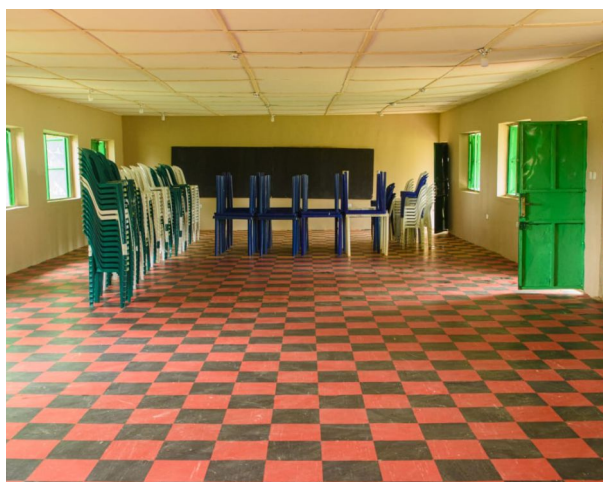
■ CSR/Corporate Events During the Year

Painting of Area F Police Station



■ CSR/Corporate Events During the Year (Cont'd)

Painting of Ogbo Community School



CSR/Corporate Events During the Year (Cont'd)

Big 5 Construction Exhibition



CSR/Corporate Events During the Year (Cont'd)

Free Medical Consultation and Tests for women at Agege Market



■ CSR/Corporate Events During the Year (Cont'd)

Street Clean up on International Volunteers' Day



Berger Business Partners

| | ADDRESS | BBP | LOCATION | PHONE NUMBERS |
|----|--|-----------------|----------|---|
| 1 | Plot 748, Alexandria Crescent, Wuse 2, Behind Bannex Plaza, Abuja | KHAFADZ | Abuja | 07031720041, 07031720060, 07031779331 |
| 2 | Shop A006, Rano Filling Station, Rano Plaza, City Gate, Abuja | KHAFADZ | Abuja | 07031779331, 07031720041, 09062990774 |
| 3 | Shop 7, Opposite Lorry Park, Dei-Dei Building Materials, Abuja FCT | KHAFADZ | Abuja | 07064716171, 07031720041, 07031779331 |
| 4 | POWA Plaza, Suite 01, Plot 55 Samuel Ladoke Akintola Blvd (Next to Treasury House), Garki 2, Abuja | LUVI | Abuja | 09023746229, 08187664433 08053559255, |
| 5 | Anafara Plaza, First Avenue, Opposite Oando Filling Station, Gwarimpa Estate, Abuja | OPA GLOBAL | Abuja | 08098060198, 09062682357, 08080058308, 08065707139 |
| 6 | No 35, Blossom Plaza, Onitsha Owerri Road. Nnewi | AMORDEI | Nnewi | 08035969556, 08038956123, 08102164838 |
| 7 | KM 20 Enugu /Onitsha Express Road, opp. Crunches Eatery, Unizik Junction, Awka. | AMORDEI | Awka | 08102164838, 08069116389 |
| 8 | 182, Awka Road, Onitsha, Anambra state | AMORDEI | Onitsha | 08102164838, 09057867440 |
| 9 | 111, Warri-Effurun Road, Warri, Delta State. | TESAN | Warri | 09037798587, 08102164843, 08035030263 |
| 10 | KM 2 Okpe Road, Osubi, Beside Victory Joe Filling Station, Warri | TESAN | Warri | 08113752287, 08064421912, 08037664080 |
| 11 | No. 379, Nnebisi Road, Asaba. Opposite Polaris Bank, Asaba. Asaba | DE-AMA VENTURES | Asaba | 08023160000, 09062099917, 08102164868, 08169341361 |
| 12 | IMAFIDONIA PLAZA, 203 Old Lagos Asaba Road by Owa-Ekei Junction. Boji-Boji, OwaAgbor. Delta State. | DE-AMA VENTURES | Agbor | 08169341361, 08023160000, 09069791990 |
| 13 | 27, Murtala Mohammed Way, Benin City, Edo State | TESAN | Benin | 09062523816, 08028017534 |
| 14 | CHASE MALL, No 33, Abakaliki Road, G.R.A Enugu Enugu | SYNOPSIS | Enugu | 09062099919, 08102164838, 08066190033, 08055238655 |

Berger Business Partners (Cont'd)

| | | | | |
|----|---|------------------|----------|---|
| 15 | No. 52, Ogui Road, By Moore House Bus Stop, opposite Thermocool Showroom, Enugu | SYNOPSIS | Enugu | 09062099919, 08102164838, 08066190033 |
| 16 | 7 Edinburgh Road, Ogui New Layout, Enugu | OBIAKU | Enugu | 08036695593 |
| 17 | No 4, Ifelodun Street, off Asadam Road, Offa Garage, Ilorin, Kwara State | EVERSTPLUS | Ilorin | 07031720077, 08087180681, 08033966490 |
| 18 | Old Tollgate Road Lagos Ibadan Expressway, Next to Lagos State Accident and Emergency Centre Ikeja. | MOYINSON | Lagos | 07031343157, 09062099912, 07031779336, 09062682342 |
| 19 | No 16, TOS Benson Road (Former Beach Road), Ebute, Ikorodu. Lagos | FORTY40 | Lagos | 08069813232, 08023948656, 07010007000 |
| 20 | Shop Y09, YOB Shopping Complex, Ologolo Road, Before Igbo Efon, Lekki, Lagos | SPINETTI | Lagos | 0803315130, 07071983585 |
| 21 | Km 22 Lekki-Epe Express Way, NNPC Filling Station Complex, 2nd Gate, Ikota Lekki, Lagos | KC TRADE | Lagos | 09169849286, 08139948915, 07031779342 |
| 22 | 95 Adeniyi Jones, Ikeja, Lagos | NACHO TECHNICAL | Lagos | 08113752287, 09062523814 |
| 23 | 142A, Association Way, Dolphin Estate, Ikoyi, Lagos | BUILDING DEPOT | Lagos | 08033515179, 09152790663 08068520847 |
| 24 | 7 Muri Okunola Street, Victoria Island, Lagos | KERAE INDUSTRIES | Lagos | 09132222291, 08033139196, 08102164827 |
| 25 | KM 30, Lagos Epe Expressway Casia Estate, Abijo GRA, Ibeju-Lekki | LADII VENTURES | Lagos | 07031779324, 07031720069 |
| 26 | Plot 2144, Ago-Okota Road Apple Plaza, beside Perfect Mall, Amuwo Odofin, Lagos | VICFORTH | Lagos | 07074603450, 07074603451 |
| 27 | Suite 31, Power Complex by Police Clinic, Opposite APC Secretariat, Jos Road, Lafia, Nasarawa. | KHAFADZ | Nasarawa | 09062523799, 07031720061, 07031720041 |
| 28 | Shop 6, Afiz Plaza, Sharp Corner, Mararaba, Nasarawa State. | KHAFADZ | Nasarawa | 09062523799, 09062496085, 07031720041 |
| 29 | SM3, Ahmadu Bahago Plaza. Tunga, Minna, Niger. | KHAFADZ | Niger | 09062523799, 09062099923 |
| 30 | Jukwutech Plaza, Opposite Sadox Factory, Aluminum Village, Kaduna Road, Niger | SPLENDID TSY | Niger | 08080058308, 08065707139, 07038020561 |
| 31 | 20 Oyo Road, Uncle Joe Bus-Stop, Mokola, Ibadan, Oyo State. | OGO OLUWA | Ibadan | 07031720043, 08055068234, 09062099913, 08102164846 |

Berger Business Partners (Cont'd)

| | | | | |
|----|---|------------------|---------------|---|
| 32 | 10, Vitafoam Place, Elebu Oja Road, Elebu Extension, Opp. Comodore, Ibadan, Oyo | OGO OLUWA | Ibadan | 07031720043 08055068234. |
| 33 | Iwo Road, Opp. Ibadan North East Local Govt Hqtrs, Near Arisekola Mosque | OGO OLUWA | Ibadan | 07031720043, 08102164846, 08138596050 |
| 34 | 1, Azeez Aina Street, Olusanya Bus Stop, Ring Road, Ibadan, Oyo | OGO OLUWA | Ibadan | 07031720043 08055068234. |
| 35 | Kalwa Plaza, Off Yakubu Gowon Road, By Apc Office, Zarmanganda, Jos, Plateau State. | SPLENDID TSY | Jos | 08080058308, 08065707139, 09062523822 |
| 36 | 42 Old Aba Road Opposite Heritage Bank, By Artillery Junction, Port Harcourt | PARTTRACKER | Port Harcourt | 08038735062, 07031720047, 09062682344 |
| 37 | No 70, Ordinance Road, Trans-Amadi Industrial Layout, Port Harcourt | TESAN | Port Harcourt | 09062682332; 09062496101 |
| 38 | 1440, Kachia Road, Beside Diamond/Access Bank, Kakuri, Kaduna | DE-JOESCON | Kaduna | 07031720045, 08035865664 |
| 39 | 4, Ajasa Street, off Civic Center, Kano State | AIKAWA | Kano | 08102164852, 08039671860 |
| 40 | No1 Tashar Bala, beside Skyline University, Zaria Road Kano. | SHIFNAL | Kano | 08145465168 |
| 41 | 289 Herbert Macaulay Way, Adjacent Sterling Bank, Yaba, Lagos | PRIME BUILD | Yaba | 07039224265, 09064714651 |
| 42 | 132 Jubilee Road, Aba, Abia | KAMTEX | Aba | 07039867401, 08133553844 |
| 43 | 90, Olofa way, Ijakadi complex near Item 7, Offa, Kwara | LAMORA | Offa | 09167475636 |
| 44 | 1 Alhaji Tijani Barkaji Complex PZ Road, Commercial Area Gombe, Gombe State | BANI ALIYU | Gombe | 08032316278, 08084695190 |
| 45 | 103 Gidan Dare Road, Sokoto | ACU INTERGRAL | Sokoto | 09037757194, 08034511150, 09062099921 |
| 46 | 14 Murtala Muhammed Highway, beside Transcorp Hotel, Calabar, Cross River | GREAT AJFC | Cross River | 08033061825, 07031720042 |

Major Suppliers

MAJOR SUPPLIERS

| S/N | Major International Suppliers |
|-----|-------------------------------|
| 1. | ACP Chemicals |
| 2. | Tawazon Chemical |
| 3. | Tranmare Chemie |

| S/N | Major Local Suppliers | | |
|-----|---|-----|-----------------------------------|
| 1. | Asharami Synergy Plc | 18. | GMAS Chemicals Nigeria Ltd. |
| 2. | Atbaron Nigeria Enterprises | 19. | Kempharm Ltd |
| 3. | Avon Crown caps And Containers Nig. Plc | 20. | Lexcel Products and Packaging Ltd |
| 4. | Brenntag Chemicals Nigeria Ltd | 21. | Melvyn Nickson Nigeria Limited |
| 5. | Chanco Impex Ltd | 22. | Metcem Limited |
| 6. | Chizzy Nigeria Ltd | 23. | Metoxide (Nigeria) Ltd |
| 7. | Cormat Nigeria Ltd. | 24. | Nagode Industries Ltd |
| 8. | C-Pin Industries Ltd | 25. | Nycil Ltd |
| 9. | Danel Nigeria Ltd. | 26. | Parco Enterprises Nigeria Limited |
| 10. | Dlad Holdings Ltd | 27. | Rama Industries Ltd |
| 11. | Don Colors Chemicals | 28. | Robinson Ventures Ltd. |
| 12. | Edic Chemicals | 29. | Samking Chemicals |
| 13. | Eurochemco Chemicals | 30. | SCN Colours |
| 14. | Falcon Chemicals Ltd | 31. | Sunbeth Oil |
| 15. | Geeta Plastic Products Nigeria Ltd | 32. | Trisa Nig. Ltd |
| 16. | Glistar Success Ltd | 33. | Wahum Pkg Ltd |
| 17. | Global-Chem | 34. | WTEX Industries (Nigeria) Ltd |



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✉ customercare@bergerpaintnig.com
🌐 www.bergerpaintsnig.com

     @Bergerpaintsnig



PROXY FORM

For the Sixty-fifth (65th) Annual General Meeting (AGM) of Berger Paints Nigeria Plc. to be held by Proxy virtually via <https://bit.ly/BergerPaintsAGM> on Thursday, 22 May 2025 at 11:00 a.m., or so soon thereafter.

I/We
(Name of Shareholder in block letters)

The undersigned, being a member of the above-named Company hereby appoints the following person:

| S/N | Name | Designation | Proxy Choice |
|-----|-----------------------|------------------------|--------------|
| 1. | Mr. Abi Ayida | Chairman | |
| 2. | Mr. Kunle Olowokande | Non-Executive Director | |
| 4. | Mrs. Bisi Bakare | Shareholder Rep | |
| 5. | Mr. Moses Igbrude | Shareholder Rep | |
| 6. | Mr. Lawrence Oguntoye | Shareholder Rep | |

or failing him/her, the Chairman of the meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 22 May 2025, and at any adjournment thereof."

Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated this Day of, 2025

Signature

NOTES:

1. This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof, should be completed and deposited at the office of the Company's Registrars, Meristem Registrars and Probate Services Limited (Registrars), at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State, or via email to info@meristemregistrars.com, not later than 48 hours before the time of holding the meeting.
2. Where the appointer is a corporation, this form may be under seal or under the hand of any officer or attorney duly authorised.
3. In the case of joint holders, the signature of anyone of them will suffice, but the names of all joint holders should be shown.
4. It is a legal requirement that all instruments of proxy must bear appropriate stamp duty (not adhesive postage stamps) from the Stamp Duties Office. The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

We desire this proxy to be used in favor of/or against the resolution as indicated alongside.

| Resolution | For | Against |
|--|------------------------|---------|
| 1] To Receive the 2024 Audited Financial Statements and Accompanying Reports | | |
| 2] To declare a final Dividend | | |
| 3a] To re-elect Mr. Raj Mangtani as Director | | |
| 3b] To re-elect Dr. Ogechi Iheanacho as Director | | |
| 4] To authorise the Directors to fix the remuneration of the Auditors | | |
| 5] To disclose the remuneration of the Managers of the Company. | No Resolution Required | |
| 6] To elect members of the Audit Committee. | | |
| 7] To approve the remuneration of Directors. | | |
| 8] To approve the renewal of General Mandate on recurring related Party Transactions. | | |
| 9] To amend Article 80 of the Company's Articles of Association and authorize the Board to do incidental actions to give effect to the amendment. | | |
| Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion. | | |

ADMISSION FORM

BERGER PAINTS NIGERIA PLC {RC 1837}

For the Sixty-fifth (65th) Annual General Meeting (AGM) of Berger Paints Nigeria Plc. to be held virtually via <https://bit.ly/BergerPaintsAGM> on Thursday, 22 May 2025 at 11:00 a.m.

*Name of Shareholder

*Name of Proxy
(PICK FROM LIST ABOVE)

A member (shareholder) entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. A Proxy need not be a member. The above proxy form has been prepared to enable you exercise your right to vote.

IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission forms where asterisked. Insert the name of any person whether a member of the Company or not, except for the Chairman of the Company, who will attend the meeting and vote on your behalf.

For the Registrar's use only:

No. of shares held

MAIL TO:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE



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