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THIS PRICING SUPPLEMENT AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION (“SEC” OR THE “COMMISSION”). THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (THE “ISA” OR THE “ACT”) PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PRICING SUPPLEMENT AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PRICING SUPPLEMENT.

INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS ON PAGES 94 TO 99 OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.



## DANGOTE CEMENT PLC (RC 208767)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

**OFFER FOR SUBSCRIPTION OF ₦100,000,000,000 12.50% SERIES 1 BONDS DUE 2025  
UNDER THE ₦300,000,000,000 DEBT ISSUANCE PROGRAMME**

**ISSUE PRICE: ₦1,000 PAYABLE IN FULL ON APPLICATION  
APPLICATION LIST OPENS: 3 APRIL, 2020  
APPLICATION LIST CLOSES: 15 APRIL, 2020**

This Pricing Supplement is prepared pursuant to Rule 321 of the Rules and Regulations of the SEC, 2013 (as amended), the listing requirements of the FMDQ Securities Exchange Limited (“FMDQ”) and the rules and regulations of The Nigerian Stock Exchange (“NSE”) in connection with the issuance of ₦100,000,000,000 Bonds under the ₦300,000,000,000 Debt Issuance Programme established by Dangote Cement PLC (the “Issuer” or “Dangote Cement”). This Pricing Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus, dated the 19<sup>th</sup> of October 2017 as amended and/or supplemented from time to time. Any capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement except otherwise expressly stated. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. A copy of this Pricing Supplement has been delivered to the Commission for registration. A copy of the Pricing Supplement will also be made available for download on the respective websites of the Commission ([www.sec.gov.ng](http://www.sec.gov.ng)) and the Issuer ([www.dangotecement.com](http://www.dangotecement.com)), throughout its Validity Period. Copies of this Pricing Supplement and the Shelf Prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses. The Offer is open to High Net-worth Individuals and Qualified Institutional Investors.

The Bonds described herein are issued on and are subject to the Terms and Conditions contained in the Shelf Prospectus as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which forms the subject matter hereof or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement/Supplementary Prospectus later than three years after the date of the issue of the Shelf Prospectus. This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the “Series 1 Bonds” or “Bonds”). Application has been made to the FMDQ and the NSE for the admission of the Bonds to the Daily Quotations List and the Daily Official List, respectively. The Bonds also qualify as a security in which trustees may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria 2004.

The Directors of the Issuer collectively and individually accept responsibility for the information contained in this Pricing Supplement and declare that having taken reasonable care to ensure that the information contained in this Pricing Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time. It is a civil wrong and a criminal offence under the ISA to issue a prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 85 and 86 of the ISA.

### LEAD ISSUING HOUSE



RC1031358

### JOINT ISSUING HOUSES



RC1383925



RC 680774



RC 444999



RC 217005



RC 485600



RC 446561



RC 207138



RC440370



RC 264978



RC 1031371



RC 639491

THIS PRICING SUPPLEMENT IS DATED THE 24 DAY OF APRIL 2020

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## **DEFINITION OF TERMS**

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“Allocation Confirmation Notices”	The notification issued to each Applicant confirming the Bonds allocated to the Applicant following the conclusion of the Book Build and determination of the relevant clearing price
“Allotment”	The issue of Bonds to successful bidders pursuant to this Pricing Supplement
“Allotment Date”	The date on which the Series 1 Bonds are allotted to successful bidders
“Applicant”	A Qualified Investor who offers to purchase the Series 1 Bonds and submits Commitment Form(s) to the Book Runner
“Auditors” or “Joint Auditors”	Akintola Williams Deloitte and Ahmed Zakari & Co
“Bid Coupon Rates” Bonds	The coupon rate or price at which an Applicant offers to purchase the Series 1 Bonds
“Board” or “Directors”	Board of Directors of the Issuer
“Bonds”	The Series 1 Bonds being issued in accordance with the terms of the Shelf Prospectus and this Pricing Supplement
“Bondholder”	Any registered owner of the Series 1 Bonds
“Bond Issuance Programme” or “Debt Issuance Programme” or the “Programme”	The ₦300,000,000,000 (Three Hundred Billion Naira) debt issuance programme registered with the SEC by the Issuer as described in the Shelf Prospectus
“Book Runner(s)”	The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Bonds being sold by way of Book Building
“Book Building” or “Book Build”	As defined in SEC Rule 321, a process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Investors
“Business Day”	Any day, except Saturdays, Sundays and public holidays declared by the Federal Government, on which banks are open for business in Nigeria
“CBN”	Central Bank of Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Chapter C21, LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Act, 2019)



“Clearing Price”	The final Coupon Rate for the Series 1 Bonds agreed among the Issuer and Issuing Houses following the Book Build
“Company”, “DCP”, “Issuer”, “Dangote Cement” or “Dangote”	Dangote Cement PLC
“Conditions” or “Terms and Conditions”	The Terms and conditions of the Series 1 Bonds set out in this Pricing Supplement
“Coupon” or “Coupon Rate”	The interest paid on the Series 1 Bonds periodically, expressed as a percentage of the face value of the Series 1 Bonds
“Coupon Commencement Date”	The Issue Date for the Series 1 Bonds, from which Coupon on the Series 1 Bonds will begin to accrue
“Coupon Payment Date”	The date on which the Coupon falls due for payment to the Bondholders
“CSCS”	Central Securities Clearing Systems PLC
“Depository”	CSCS or FMDQ Depository Limited
“Daily Official List”	The daily publication of the NSE detailing price movements and information on all securities quoted on the NSE
“Daily Quotations List”	The daily official publication of the FMDQ containing market/model prices and yields, and the values traded on all securities listed and quoted on the FMDQ
“DIL”	Dangote Industries Limited
“Fixed Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis
“FMDQ”	FMDQ Securities Exchange Limited
“ISA”	Investments and Securities Act No.29 of 2007
“Issue”	The issue of the Series 1 Bonds to Qualified Investors
“Issue Date”	The date on which the Series 1 Bonds are issued
“Issue Price”	The price at which the Series 1 Bonds are issued
“Issuing Houses”	The Joint Issuing Houses and the Lead Issuing House
“Joint Issuing Houses”	Absa Capital Markets Nigeria Limited, Coronation Merchant Bank Limited, Ecobank Development Company Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, Futureview Financial Services Limited,

Quantum Zenith Capital & Investments Limited, Rand Merchant Bank Nigeria Limited, Standard Chartered Capital and Advisory Nigeria Limited, United Capital PLC and Vetiva Capital Management Limited

“Lead Issuing House”	Stanbic IBTC Capital Limited
“LFN 2004”	Laws of the Federation of Nigeria, 2004
“Minimum Participation Amount”	₦10,000,000 (Ten Million Naira), as stated on the Commitment Form
“Naira”, “NGN” or “₦”	The Nigerian Naira
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“Participation Amount”	The amount an Applicant offers for the purchase of the Series 1 Bonds
“PIT”	Personal Income Tax
PITA”	Personal Income Tax Act Chapter, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011 and the Finance Act, 2019)
“Pricing Supplement”	This supplemental prospectus which contains relevant information relating to the Series 1 Bonds, including but not limited to, details about the price, amount, issue date and maturity date of the Series 1 Bonds
“Principal” or “Principal Amount”	The nominal amount of each Bond, as specified in this Pricing Supplement
“Programme Trust Deed”	The Programme Trust Deed entered into by the Issuer and the Trustees dated October 19, 2017
“Qualified Investor”	Qualified Institutional Investor or High Net Worth Investor as stipulated by the SEC Rules
“Rating Agency”	Global Credit Rating Company Limited
“Record Date”	fifteen (15) days immediately preceding each Coupon Payment Date during which the Register will be closed
“Red Herring Prospectus”	the preliminary prospectus issued by the Issuing Houses to Qualified Investors for the purpose of determining the price and volume of the bonds to be issued
“Register”	The record maintained by the Registrar detailing amongst others, the particulars of Bondholders, nominal amount of Bonds held by each Bondholder and all subsequent transfers and changes in ownership of the Bonds
“Registrar”	United Securities Limited
“SEC” or “Commission”	Securities & Exchange Commission, Nigeria



“SEC Rules”	The rules and regulations of the SEC, 2013 (as may be amended from time to time)
“Series 1 Trust Deed”	The Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees and empowering the Trustees in relation to the issuance of the Series 1 Bonds
“Shelf Prospectus”	The Shelf Prospectus approved by the SEC and dated October 19, 2017 that the Issuer filed in accordance with the SEC Rules
“NSE”	Nigerian Stock Exchange
“Tranche”	Bonds which are identical in all respects (including as to listing and admission to trading)
“Trustees”	Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited
“Validity Period”	A period not exceeding three (3) years from the date of the Shelf Prospectus



## **PARTIES TO THE OFFER**

### **Directors and Company Secretary of the Issuer**

**Alhaji Aliko Dangote, GCON (Chairman)**

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

**Mr. Michael Puchercos**

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

**Mrs. Cherie Blair CBE, QC**

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

**Sir Michael Davis**

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

**Mr. Arvind Pathak**

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

**Mr. Viswanathan Shankar**

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

**Mr. Olakunle Alake**

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

**Mr. Sani Dangote**

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

**Mr. Abdu Dantata**

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

**Mr. Ernest Ebi, MFR**

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

**Mr. Devakumar V.G. Edwin**

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

**Mr. Emmanuel Ikazoboh**

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

**Mrs. Dorothy Ufot, SAN**

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

**Mr. Douraid Zaghواني**

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

**Company Secretary**

**Mr. Mahmud Kazaure**

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



**Lead Issuing House:**

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

**Joint Issuing Houses:**

**Absa Capital Markets Nigeria Limited**  
1, Murtala Muhammed Drive  
Ikoyi, Lagos

**Coronation Merchant Bank Limited**  
10 Amodu Ojikutu Street  
Off Saka Tinubu Street  
Victoria Island  
Lagos

**Ecobank Development Company Limited**  
19A, Adeola Odeku Street  
Victoria Island  
Lagos

**FBNQuest Merchant Bank Limited**  
10, Keffi Street  
Ikoyi  
Lagos

**FCMB Capital Markets Limited**  
First City Plaza,  
44 Marina Rd  
Lagos

**Futureview Financial Services Limited**  
22, Oju-Olobun  
Off Idejo St, Victoria Island  
Lagos

**Quantum Zenith Capital & Investments Limited**  
15th Floor Civic Towers  
Ozumba Mbadiwe Road  
Victoria Island, Lagos

**Rand Merchant Bank Nigeria Limited**  
3rd Floor East Tower, Wings Office Complex  
Victoria Island  
Lagos

**Standard Chartered Capital and Advisory Nigeria Limited**

142 Ahmadu Bello Way  
Victoria Island  
Lagos

**United Capital PLC**  
3<sup>rd</sup> Floor Afriland Towers  
97/101 Broad Street, Lagos Island  
Lagos

**Vetiva Capital Management Limited**  
266B Kofo Abayomi St  
Victoria Island  
Lagos

**Joint Trustees:**

**ARM Trustees Limited**  
1 Mekunwen Road  
Ikoyi  
Lagos

**FBNQuest Trustees Limited**  
10 Keffi Street  
Off Awolowo Road  
Ikoyi  
Lagos

**Quantum Zenith Trustees & Investments Limited**  
Plot 232a Muri-Okunola Street  
Victoria Island  
Lagos

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

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

**Solicitors to the Issuer:**

**Banwo & Ighodalo**  
48 Awolowo Road  
South-West Ikoyi  
Lagos



**Solicitors to the Transaction:**

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

**Receiving Banks:**

**Access Bank PLC**  
Plot 999C Danmole Street  
Off Idejo Street  
Victoria Island  
Lagos

**Fidelity Bank PLC**  
2 Kofo Abayomi Street  
Victoria Island  
Lagos

**First Bank of Nigeria Limited**  
Samuel Asabia House  
35 Marina  
Lagos

**First City Monument Bank Limited**  
Primrose Towers  
17A Tinubu Street  
Lagos

**United Bank for Africa PLC**  
UBA House  
57 Marina  
Lagos

**Zenith Bank PLC**  
Plot 84 Ajose Adeogun Street  
Victoria Island  
Lagos

**Stanbic IBTC Bank PLC**  
I.B.T.C. Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

**Registrar:**

**United Securities Limited**  
Plot 009 Amodu Ojikutu Street,  
Victoria Island  
Lagos

**Reporting Accountant:**

**PricewaterhouseCoopers**  
Landmark Towers  
5B Water Corporation Road  
Victoria Island  
Lagos

**Joint Auditors:**

**Akintola Williams Deloitte**  
Plot GAI, Ozumba Mbadiwe Avenue  
Victoria Island  
Lagos

**Ahmed Zakari & Co**  
5<sup>th</sup> Floor, African Alliance Building  
F1, Sani Abacha Way  
Kano

**Rating Agency:**

**Global Credit Rating Company Limited**  
17<sup>th</sup> Floor, New Africa House  
31 Marina  
Lagos

**Stockbrokers:**

**Meristem Stockbrokers Limited**  
124, Norman Williams Street  
South-West Ikoyi  
Lagos

## SUMMARY OF THE OFFER

1.	Issuer:	Dangote Cement PLC
2.	Description of the Bond:	5 year 12.50% fixed rate senior unsecured bonds due 2025
3.	Series Number:	1
4.	Specified Currency:	Nigerian Naira (“₦”)
5.	Aggregate Nominal:	₦100,000,000,000
6.	Issue Price:	At par. ₦1,000 per unit of the Bond
7.	Net proceeds:	₦98,834,423,000.00
8.	Minimum Participation Amount:	Minimum of ₦10,000,000 (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000 thereafter.
9.	Tenor:	5 years
10.	Allotment Date:	24 April, 2020
11.	Issue Date:	24 April, 2020
12.	Coupon Commencement Date	Coupon shall accrue from the Issue date
13.	Maturity Date:	30 April, 2025
14.	Coupon Basis:	Semi-annual, fixed rate
15.	Coupon Rate:	12.50 % p.a. payable semi-annually in arrears
16.	Principal Redemption Basis:	If not redeemed earlier in accordance with the redemption provisions in Condition 5 of the Series 1 Trust Deed, the Series 1 Bonds shall be redeemed in full on the maturity date
17.	Source of Repayment:	Issuer’s general cash flow
18.	Ranking:	The Series 1 Bonds shall constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves.
19.	Payment Undertaking:	N/A
20.	Use of Proceeds:	See ‘Use of Proceeds’ on page 30 of this Pricing Supplement
21.	Listing(s):	Application for listing of the Bonds has been made to the NSE and/or the FMDQ
<b>PROVISIONS RELATING TO COUPON PAYABLE</b>		
22.	Fixed Rate Bond Provisions:	
	(i) Coupon Payment Date(s)/Payment Dates:	Coupon on the Series 1 Bonds will be payable semi-annually, on 30 October and 30 April of each year commencing on 24 April, 2020 until the Maturity Date
	(ii) Coupon Amount(s):	As applicable for each Coupon period (Coupon accumulated between each Coupon payment) using the actual / actual day count fraction
	(iii) Day Count Fraction:	Actual/actual (actual number of days in a month/ actual number of days in the year)
	(iv) Business Day Convention:	Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on the next succeeding Business Day unless that succeeding Business Day falls in a different month in

		which case, payment shall be made on the immediately preceding Business Day
	(v) Other terms relating to method of calculating Coupon for Fixed Rate Bonds:	N/A
	(vi) Floating Rate Bond Provisions:	N/A
	(vii) Zero Coupon Note Provisions:	N/A
	(viii) Index Linked Coupon Note Provisions:	N/A
	(ix) Dual Currency Note Provisions:	N/A
	(x) Automatic/ Optional Conversion from one Coupon Payment Basis to another:	N/A
<b>PROVISIONS RELATING TO REDEMPTION/REPAYMENT</b>		
23.	Optional Early Redemption:	
	(i) Call Option:	N/A
	(ii) Call Price:	N/A
	(iii) Put Option:	N/A
24.	Scheduled Amortization:	N/A
25.	Redemption :	The Series 1 Bonds shall be redeemed in full on the Maturity Date unless previously redeemed pursuant to Condition 5 of the Series 1 Trust Deed
26.	Repayment Basis	Bullet repayment on maturity or on call, at Par
27.	Final Redemption Amount	₦1,000
28.	Scheduled Redemption Dates:	N/A
29.	Early Redemption Amount(s) payable on redemption for tax reasons pursuant to Condition 5.2 (Redemption for tax reasons) of the Series 1 Trust Deed	Nominal Amount outstanding on the date of redemption
<b>GENERAL PROVISIONS APPLICABLE TO THE BONDS</b>		

30.	Form of Bonds:	The Series 1 Bonds will be issued in registered, dematerialized form. The issue and ownership of the Series 1 Bonds will be effected and evidenced by the particulars of the Series 1 Bonds being entered in the Register by the Registrar and the Series 1 Bonds being electronically credited in the Depository accounts of the Bondholders.
31.	Registrar:	United Securities Limited
32.	Trustees:	Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited
33.	Record Date:	Fifteen (15) days immediately preceding each Coupon Payment Date, during which the Register will be closed
34.	Other terms or special conditions:	See “Terms and Conditions of the Bonds” on pages 35 to 41 of this Pricing Supplement
35.	Payment Agent	N/A
<b>DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS</b>		
36.	Method of Distribution:	Offer for subscription by Book Building
37.	Underwriting:	At the instance of the Issuer, this Offer will not be underwritten
38.	Delivery:	Delivery after payment following clearance by the Securities and Exchange Commission
39.	Clearing:	FMDQ Clear Limited and CSCS
40.	Depository:	CSCS (Address: Stock Exchange House 2/4 Customs Street, Lagos, Nigeria) or FMDQ Depository Limited (53, Idowu Taylor Street, Victoria Island, Lagos)
41.	Transfer Restrictions:	There are no restrictions in Nigeria on free transferability of the securities other than Rule 321 of the SEC Rules and Regulations, which limits sale to Qualified Institutional Investors and High Net-worth Investors.
42.	Transfer:	Transfer of the Series 1 Bonds shall be by book entries in securities accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer and the Trustees, and registration of the name of the transferee in the Series 1 Bond Register in respect of the Series 1 Bonds then held.
43.	Offer Period:	See timetable on page 15 of this Pricing Supplement
<b>GENERAL</b>		
44.	Ratings	<p>Issue Rating: AA+ by Global Credit Rating Company Limited and Aa3.ng by Moody’s Investors Service, Inc</p> <p>Issuer Rating: AA+ by Global Credit Rating Company Limited and Aa2.ng by Moody’s Investors Service, Inc</p> <p>An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. *Moody’s Investors Service, Inc. is not</p>

		a party to the Offer, but have assigned ratings to the Issuer, at the request of the Issuer.
45.	Date of Issue of Credit Ratings and Date of Next Review	GCR rating obtained in February 2020.  Moody's rating obtained in March 2020.  Next reviews are approximately on or before the ratings expiration dates as stated on the respective ratings reports
46.	Indebtedness:	As at 31 December 2019, the Issuer's total borrowings amounted to approximately ₦225,530,000,000 (Two Hundred and Twenty-Five Billion, Five Hundred and Thirty Million Naira).
47.	Taxation:	See tax considerations on Pages 136 to 137 of the Shelf Prospectus. Pursuant to the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 (the " <b>CIT Order</b> "), income earned from bonds issued by corporate entities in Nigeria are exempted from taxes ordinarily imposed under the Companies Income Tax Act, for a period of 10 years from the date the order became effective (being January 2, 2012). Thus, all payments of Principal, Coupon and any other sum due in respect of the Bonds prior to January 1, 2022 shall be made free and clear of, and without withholding or deduction for, or on account of any income tax. In that event, no additional amounts shall be paid to the Bondholders as a result of such deduction or withholding. In relation to Coupon payments on the Bonds made later than January 1, 2022, where the CIT Order is not extended, the Issuer may be required by law to withhold tax on Coupon payments made to corporate Bondholders.
48.	Risk Factors:	See "Risk Factors" on pages 94 to 99 of the Shelf Prospectus.
49.	Governing Law:	The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
50.	Material Changes	Save as disclosed in the Shelf Prospectus as read together with this Pricing Supplement, the Board confirms that there has been no material adverse change in the Issuer's financial position since the end of the financial year ended 31 December 2019.
51.	Declarations	Except as otherwise disclosed in the Shelf Prospectus and this Pricing Supplement (a) None of the Directors is under any bankruptcy or insolvency proceedings in any court of law; (b) None of the Directors has been convicted in any criminal proceedings; (c) None of the Directors is subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty; (d) Neither the issuer nor any of its subsidiaries has, during the twelve calendar months immediately preceding the date of application to the Commission for registration of the shelf prospectus and during the effective period of the shelf prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies.

		Also see Declaration by the Issuer on page 20.																																																			
52.	Summary of Financials (Full details in Appendix H hereof)	<table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="4">Group</th> </tr> <tr> <th colspan="4"><i>(Figures herein are audited, except otherwise stated)</i></th> </tr> <tr> <th>12 months</th> <th>12 months</th> <th>12 months</th> <th>12 months</th> </tr> <tr> <th>₦ (Millions)</th> <th>Ended 31 Dec 2019</th> <th>Ended 31 Dec 2018</th> <th>Ended 31 Dec 2017</th> <th>Ended 31 Dec 2016</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>891,671</td> <td>901,213</td> <td>805,582</td> <td>615,103</td> </tr> <tr> <td>Profit/(loss) before taxation</td> <td>250,479</td> <td>300,806</td> <td>289,590</td> <td>180,929</td> </tr> <tr> <td>Profit/(Loss) for the year</td> <td>200,521</td> <td>390,325</td> <td>204,248</td> <td>186,600</td> </tr> <tr> <td>Total assets</td> <td>1,741,351</td> <td>1,694,463</td> <td>1,665,883</td> <td>1,527,908</td> </tr> <tr> <td>Net Asset</td> <td>897,937</td> <td>986,613</td> <td>781,360</td> <td>725,528</td> </tr> <tr> <td>Basic and diluted earnings/(loss) per share (Naira)</td> <td>11.79</td> <td>22.83</td> <td>11.65</td> <td>8.78</td> </tr> </tbody> </table>					Group				<i>(Figures herein are audited, except otherwise stated)</i>				12 months	12 months	12 months	12 months	₦ (Millions)	Ended 31 Dec 2019	Ended 31 Dec 2018	Ended 31 Dec 2017	Ended 31 Dec 2016	Revenue	891,671	901,213	805,582	615,103	Profit/(loss) before taxation	250,479	300,806	289,590	180,929	Profit/(Loss) for the year	200,521	390,325	204,248	186,600	Total assets	1,741,351	1,694,463	1,665,883	1,527,908	Net Asset	897,937	986,613	781,360	725,528	Basic and diluted earnings/(loss) per share (Naira)	11.79	22.83	11.65	8.78
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### CORPORATE INFORMATION OF ISSUER:

#### Head Office:

Dangote Cement Plc  
 Union Marble House,  
 1, Alfred Rewane Road  
 Falomo, Ikoyi, Lagos

#### Website:

[www.dangotecement.com](http://www.dangotecement.com)

#### Contact telephone number and email:

+234 905 398 4855  
 Temilade.Aduroja@Dangote.com

**APPENDIX A: INDICATIVE TRANSACTION TIMELINE**

<b>DATE</b>	<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>
27 March 2020	Receive SEC approval of the Red Herring Prospectus to commence Book Building	Issuing Houses
3 April 2020	Commence Book Building	Issuing Houses / Book Runners
15 April 2020	Conclude Book Building	Issuing Houses / Book Runners
15 April 2020	Determine coupon rate and aggregate principal amount of Bonds to be issued	Issuing Houses / Book Runners
15 April 2020	Dispatch Allocation Confirmation Notices to successful investors	Issuing Houses / Book Runners
17 April 2020	Update Pricing Supplement and other offer documents and file with the SEC	Issuing Houses
17 April 2020	Effect payment of Participation Amounts to Receiving Banks	Applicants
22 April 2020	Obtain SEC's No-Objection and clearance to convene signing ceremony	Issuing Houses / Book Runners
24 April 2020	Conduct signing of Offer Documents	All Parties
24 April 2020	Remit net issue proceeds to the Issuer	Receiving Banks
28 April 2020	File executed Offer Documents and the Basis of Allotment with SEC	Issuing Houses
4 May 2020	Receive SEC 'No Objection' to the Basis of Allotment	Issuing Houses
11 May 2020	Publish allotment announcement	Issuing Houses
19 May 2020	Credit Depository accounts of investors/allottees	Registrars
20 May 2020	Obtain approval for listing of the Bonds	Issuing Houses/Stockbrokers
25 May 2020	Listing of the Bonds	Issuing Houses/Stockbrokers
27 May 2020	File Post Allotment report	Issuing Houses

## **APPENDIX B: PROFILES OF MEMBERS OF THE BOARD AND MEMBERS OF THE BOARD AND STATUTORY AUDIT COMMITTEES**

### ***A. Members of the Board of Directors***

#### **Alhaji Aliko Dangote, GCON – Chairman**

**Appointed 4<sup>th</sup> November, 2002**

Alhaji Aliko Dangote is the founder of the Dangote Group of Companies, over which he presides as President and Chief Executive. He has been the Chairman of Dangote Cement since its formation and is also the Chairman of other listed companies owned by Dangote Industries Limited.

He studied Business Studies at and graduated from the Al-Azhar University, Cairo. He also obtained Honorary Doctorate degrees from Coventry University in the United Kingdom and the University of Ibadan in Nigeria in 2016. He started business in 1978 by trading in commodities, before entering into full-scale manufacturing. He is well known for his philanthropic involvement in local and international initiatives to improve healthcare.

#### **Mr. Michel Puchercos – Managing Director**

**Appointed 1<sup>st</sup> February, 2020**

Michel has more than twenty (20) years' experience in the cement industry, having served in various capacities at Lafarge including as the President & Chief Executive Officer of Lafarge Halla Cement from January 2009 to March 2016, Director of Strategy and Systems at Lafarge Gypsum from September 1998 till March 2003 and also as Chief Executive Officer of Bamburi Cement, Kenya, Hima Cement, Uganda and Chairman, Mbeya Cement, Tanzania from June 2005 till December 2008. He served as the Group Managing Director and Country CEO of Lafarge AFRICA Plc, a company listed on Premium Board of the Nigerian Stock Exchange, from April 2016 till December 2019.

#### **Mr. Ernest Ebi, MFR – Independent Non-Executive Director**

**Appointed 30<sup>th</sup> January, 2014**

Mr. Ernest Ebi has over 40 years of banking experience from various leadership positions in Nigeria, including Chairman, UNIC Insurance PLC, Executive Director, Corporate Banking of African Continental Bank PLC and Deputy Managing Director and Chief Operating Officer of Diamond Bank Limited (prior to its re-registration as a public limited liability company). From June 1999 to October 2009, he was the Deputy Governor at the CBN, responsible for overseeing Nigeria's international economic relations, trade and exchange activities and the formulation of policies to manage Nigeria's external reserves. He holds a Bachelor in Business Administration (BBA) in Marketing and an MBA both of which he obtained at Howard University, Washington DC in 1978 and 1979 respectively. In November 2016 he was appointed Chairman of Fidelity Bank PLC.

#### **Mr. Emmanuel Ikazoboh – Independent Non-Executive Director**

**Appointed 30<sup>th</sup> January, 2014**

Mr. Emmanuel Ikazoboh has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was the Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner/ CEO of Deloitte West and Central Africa, until 2009. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979. He is a Certified Accountant in the United Kingdom and a fellow of the Chartered Association of Certified Accountants, Institute of Chartered Accountants of Nigeria.

He was appointed by the SEC as an Interim Administrator, to carry out capital market reforms of the NSE and the CSCS. He serves on several Boards as Chairman or Non-Executive Director.

**Mrs. Dorothy Ufot, SAN – Independent Non- Executive Director**  
**Appointed 19<sup>th</sup> April, 2016**

Mrs. Dorothy Ufot has more than 26 years’ experience in commercial litigation at trial and appellate levels, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003. She obtained Bachelor’s Degrees in Political Science in 1983 and Law in 1988 from the University of Calabar, Nigeria and the University of Lagos respectively. She also obtained a Master’s Degree in Law in 1996 and an Advanced Diploma in Commercial Law Practice from the University of Lagos in 1998.

She is an internationally recognised expert in commercial dispute arbitration, and was appointed member of the International Chamber of Commerce (“ICC”)’s International Court of Arbitration, Paris, in 2006. She became one of eight Global Vice-Presidents of the ICC Commission on Arbitration, in 2014.

**Mrs. Cherie Blair CBE, QC – Independent Non-Executive Director**  
**Appointed 20<sup>th</sup> April, 2018**

Cherie Blair CBE, QC, is a leading international lawyer, arbitrator and mediator, a former judge and a committed campaigner for women’s rights. She is the Founder of the Cherie Blair Foundation for Women, and the Founder and Chair of Omnia Strategy LLP, an international law firm. She is Chancellor of the Asian University for Women, Chancellor Emeritus of the Liverpool John Moores University and has served in this capacity since 2011. She is also the President of the Loomba Foundation, Honorary Vice President of Barnardo’s and Patron of Scope, as well as a number of other charities. She was appointed as an Independent Director on the Board of Groupe Renault from 2015 to 2019. She was awarded a CBE in 2013 for services to women’s issues and to charity in the UK and overseas.

**Sir Michael Davis – Independent Non-Executive Director**  
**Appointed 20<sup>th</sup> April, 2018**

Sir Michael Davis is Chairman of Macsteel, a global trading and shipping company. From 2001 to 2013 he was Chief Executive of Xstrata, one of the world’s largest global diversified mining and metal companies. Prior to joining Xstrata he was Executive Director and Chief Financial Officer of Billiton Plc. He has extensive capital markets and corporate transaction experience. During his career, he has raised more than \$40B from global capital markets and successfully completed more than \$120B of corporate transactions including the listing of Billiton on the London Stock Exchange, the merger of BHP and Billiton into the largest diversified mining company in the world and the successful merger of Xstrata and Glencore.

**Mr. Arvind Pathak – Deputy Group Managing Director**  
**Appointed 29<sup>th</sup> October, 2019**

Arvind, until his latest appointment, was the Chief Operating Officer of Dangote Cement Plc from January 2018 to October 2019, with more than 36 years’ experience in the cement industry. Prior to joining Dangote Cement Plc, he worked at Reliance Cement as Chief Executive Officer from 2008 to 2015. He was previously the Regional CEO in ACC Limited, having worked most of his tenure in operations and maintenance of plants, as well as leading important greenfield projects. He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982. He has also been trained in a number of international management colleges.

**Mr. Viswanathan Shankar – Non-Executive Director**  
**Appointed 10<sup>th</sup> December, 2017**

Shankar is the Co-founder and Chief Executive Officer of Gateway Partners, a private equity firm focused on investing in the dynamic growth markets of Africa, Middle East and Asia. He previously served as CEO –

Europe, Middle East, Africa and Americas, and member of the global board of Standard Chartered Plc and prior to that, he serves as Head of Investment Banking for Asia Pacific at Bank of America. His past appointments in non-executive roles include the boards of the Inland Revenue Authority Singapore; Enterprise Singapore; Majid Al Futtaim Holdings and Vice Chair of the Future of Banking Global Agenda Council of the World Economic Forum. Shankar is also currently a non-executive director of Gateway Delta Development Holdings, Mauritius and Fund for Export Development in Africa, Egypt. He was awarded the Public Service Medal by the government of Singapore in 2014.

**Mr. Olakunle Alake – Non-Executive Director**  
**Appointed 22<sup>nd</sup> July, 2005**

Mr. Olakunle Alake is the Group Managing Director of Dangote Industries Limited. He was appointed to the Board of Dangote Industries Limited as Executive Director in 2001. He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries Limited in 1990, after six years at PricewaterhouseCoopers. He has held several management positions in Dangote Industries Limited, including Financial Controller and Head of Strategic Services.

**Mr. Sani Dangote – Non-Executive Director**  
**Appointed 22<sup>nd</sup> July, 2005**

Mr. Sani Dangote is a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services. He is the Vice President of Dangote Group and sits on the Board of several other companies. He is also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers & Suppliers Association. In 2012, he completed the Owner/President Management Programme at the Harvard Business School in the United States of America

**Mr. Abdu Dantata – Non-Executive Director**  
**Appointed 22<sup>nd</sup> July, 2005**

Mr. Abdu Dantata is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited. He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He obtained an Executive Programme Certificate in Sales and Marketing from the Kellogg Senior Management School at Northwestern University, Chicago.

**Mr. Devakumar V.G. Edwin – Non-Executive Director**  
**Appointed 22<sup>nd</sup> July, 2005**

Mr. Devakumar Edwin was previously the Chief Executive Officer of Dangote Cement, until he resigned as Group CEO on 31st January 2015. Following 14 years spent in industrial management in India, he joined Dangote Industries Limited in 1992 and has since held several managerial positions within the Group. He is a Chartered Engineer, holding Graduate and Master's degrees in Engineering from the Madras University, India and holds a Post-Graduate Diploma in Management from IITM, Holland, all obtained in 1978, 1980 and 1986 respectively.

**Mr. Douraid Zaghouani – Non-Executive Director**  
**Appointed 29<sup>th</sup> April, 2015**

Mr. Douraid Zaghouani is the Chief Operating Officer of the Investment Corporation of Dubai (ICD). In this role, he supports the Chief Executive Officer's Office in corporate strategy development and is responsible for the efficient operational management of the organisation with the aim of optimising business performance. Prior to joining ICD, he was with Xerox for more than twenty-five years. During his long and distinguished international business career he held a number of senior general management, sales and marketing roles in both

Europe and North America. He has served as the Chairman of the Board of several Xerox companies and also sits on the Board of International Hotel Investments. He holds a Degree in Civil Engineering from Ecole Nationale des Travaux Publics de l'Etat in France in 1983 and obtained a certification as a Graduate in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales Business School, Paris in 1985.

***B. Members of the Statutory and Board Audit Committees***

<b>Statutory Audit Committee Members</b>	<b>Mr. Robert Ade Odiachi (Chairman)</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Mr. Olakunle Alake</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Mr. Emmanuel Ikazoboh</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Mr. Nicholas Nyamali</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Mr. Sheriff M. Yussuf</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Mr. Ernest Ebi, MFR</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
<b>Board Audit, Compliance and Risk Committee Members</b>	<b>Ernest Ebi, MFR (Chairman)</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Cherie Blair (QC) (Member)</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Dorothy Udeme-Ufot, SAN (Member)</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	<b>Emmanuel Ikazoboh (Member)</b> Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

**APPENDIX C: DECLARATION BY ISSUER AND OTHER DISCLOSURES**



**Dangote Cement PLC**

REG 394767

Head Office: 1, Alfred Rewane Road  
 Ikoyi, Lagos, Nigeria  
 P.O. Box 40032, Fidelity  
 Tel: +234 1 2771475  
 Fax: +234 1 2773609  
 Email: [contact@dangotecement.com](mailto:contact@dangotecement.com)  
 Website: [www.dangotecement.com](http://www.dangotecement.com)

**DECLARATION BY THE ISSUER**

This Pricing Supplement has been prepared by Banwo & Ighodalo, Legal Counsel to Dangote Cement Plc (the "Company") on behalf of the Company, with a view to providing a description of the relevant aspects of the Company in connection with the issue and investment therein.

On behalf of the Board of Directors of the Company, we hereby make the following declarations:

1. We confirm that the information contained in this Pricing Supplement is, to the best of our knowledge, in accordance with the material facts and contains no omission likely to affect its import;
2. There has been no significant or material change in the financial condition or material adverse change in the financial prospects of the Company since the date of the publication of the ₦300,000,000,000 (Three Hundred Billion Naira) Debt Issuance Programme Shelf Prospectus;
3. The Company is not in breach of any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of this Pricing Supplement; and
4. No prosecution has been commenced against either the Company or any of its subsidiaries during the twelve (12) calendar months immediately preceding the date of this Pricing Supplement; in respect of any breach or contravention of any securities, the Companies and Allied Matters Act Chapter C20, LFN 2004 or the listing requirements of a recognised securities exchange.

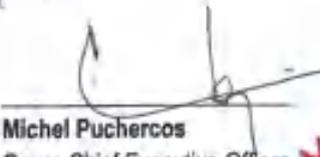
SIGNED for and on behalf of  
**DANGOTE CEMENT PLC**

By its duly authorised representatives

  
**Mahmud Kazaure**  
 Company Secretary

  
**Guillaume Moyen**  
 Group Chief Financial Officer

  
**MICHEL PUCHEROS**  
 Group Chief Executive Officer

  
**SULAIMAN O. ZUBAIR ESQ**  
 NOTARY PUBLIC  
 15, MEKUNWEN ROAD,  
 IKOYI, LAGOS

25/02/2020  
 CERTIFIED  
 NOTARIZED BY ME  
 THIS 25th DAY OF FEB. 2020.



**Directors:**  
 Mr. Aliko Dangote, GCON (Chairman); Mr. Michel Pucheros, CEO (French); Arvind Pathak, DGMD (Indian); Mr. Sani Dangote; Mr. Oluwaleke Adeniji, Mr. Afolu  
 Dantata; Mr. D.V.G. Edwin (Indian); Mr. Ernest Ebi, MFR; Mr. Emmanuel Ikazoboh; Mr. Donald Zaghouai (French); Mrs. Dorothy Udeme Ufot, SAN;  
 Mr. Viswanathan Shankar (Singaporean); Ms. Cherie Blair, CBE QC (British); Sir Michael Devis (British)

## CONFIRMATION OF GOING CONCERN STATUS

# Deloitte.

Deloitte & Touche  
Civic Towers  
Plot GA 1, Ozumba Mbadiwe Avenue  
Victoria Island  
P.O. Box 965, Marina  
Lagos  
Tel: +234 (1) 904 1700  
www.deloitte.com.ng

3 March 2019

The Directors  
Dangote Cement Plc  
Union Marble House  
1 Alfred Rewane Road  
Ikoyi, Lagos

The Directors  
Absa Capital Markets Nigeria Limited  
1 Murtala Muhammed Drive  
Ikoyi  
Lagos

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

The Directors  
Standard Chartered Capital and Advisory Nigeria Limited  
142 Ahmadu Bello Way  
Victoria Island  
Lagos

The Directors  
United Capital Plc  
Airland Towers (3<sup>rd</sup> Floor)  
97 Broad street  
Marina Lagos

Dear Sirs,

### CONFIRMATION OF GOING CONCERN STATUS OF DANGOTE CEMENT PLC ("DCP")

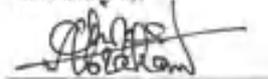
Dangote Cement Plc is in the process of raising *Senior Unsecured Secured 1 Bonds* under its ₦300,000,000,000 (Three Hundred Billion Naira) Debt Issuance Programme registered by the Securities and Exchange Commission ("SEC").

We have carried out the audit of the consolidated and separate financial statements of DCP for the year ended 31 December 2019, which were prepared in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigerian Act 2011.

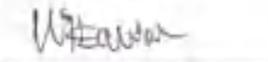
Based on our audit of the consolidated and separate financial statements of DCP for the year ended 31 December 2019, we confirm that nothing came to our attention that causes us to believe that DCP would not continue as a going concern in the next 12 (twelve) months from the date of our report (26 February 2020), and therefore consider it appropriate that the Directors of DCP have prepared the consolidated and separate financial statements for the year ended 31 December 2019 on a going concern basis.

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

Yours faithfully,



For: Deloitte & Touche



For: Ahmed Zakari & Co.



4<sup>th</sup> Floor, African Alliance Building  
P.O. Box 40000  
P.O. Box 4000  
Lagos  
Tel: 084-645400, 546447  
Fax: 084-200858  
E-mail: amzakari@azako.com

## **OTHER DISCLOSURES**

### **I. Authorization of the Series 1 Bonds**

By a resolution of the Board dated January 30, 2020 approving the issuance of up to ₦300,000,000,000 bonds, the issuance of the Series 1 Bonds was approved. The extract of the resolution of the Board is as follows:

*“1. That, further to the establishment of a ₦300,000,000,000 (Three Hundred Billion Naira) Debt Issuance Programme (the “Programme”) by the Company, the Company be and is hereby authorised to raise capital of up to ₦300,000,000,000 (Three Hundred Billion Naira) under the Programme in such tranches or series and on such other terms and conditions as the Board and/or the management of the Company (“Management”) may deem fit or determine, subject to obtaining the approvals of the relevant regulatory authorities (the “Bonds”);*

*2. That the entry into, finalisation and execution by the Company of the transaction documents, notices or any other documents in respect of the Bonds required to be executed in connection with the Bonds be and are hereby approved and ratified;*

*3. That any two of the directors of the Board be and are hereby authorised to do all acts and things and to approve, sign and/or execute all documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority and making any statutory or regulatory filings necessary for or incidental to the issuance of the Bonds; and*

*4. That any acts undertaken by the Management or the Board prior to the date of these resolutions or to be undertaken by the Company or the Board in connection with the Bonds be and are hereby approved and ratified.”*

### **II. SHAREHOLDING STRUCTURE OF THE ISSUER**

The current authorised share capital of the Company is ₦10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) ordinary shares of ₦0.50k each. As at 31 December 2019, the issued share capital of the Issuer was 17,040,507,404 ordinary shares, which have been fully paid up. Dangote Industries Limited holds 14,612,796,970 ordinary shares (85.75%) of the issued share capital of the Issuer.

### **III. SHARE CAPITAL HISTORY**

The authorised share capital of Dangote Cement at incorporation was ₦500,000,000 (Five Million Naira) divided into 500,000,000 (Five Million) ordinary shares of ₦1 each. The current authorised share capital of the Company is ₦10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) ordinary shares of ₦0.50k each. The changes in the authorised share capital of the Company since incorporation are as follows:

YEAR	AUTHORISED SHARE CAPITAL (₦)			NUMBER OF SHARES	ISSUED AND FULLY PAID-UP SHARE CAPITAL (₦)		CONSIDERATION CASH/BONUS/ OTHERS
	INCREASE	CUMULATIVE	PAR VALUE OF EACH SHARE		INCREASE	CUMULATIVE	
1992	-	500,000,000	₦1.00	500,000,000	-	210,000,000	Cash
2001	-	500,000,000	₦1.00	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	₦0.50k	20,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	-	10,000,000,000	₦0.50k	20,000,000,000	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	-	10,000,000,000	₦0.50k	20,000,000,000	-	7,745,685,184	No Change
2012	-	10,000,000,000	₦0.50k	20,000,000,000	774,568,518	8,520,253,702	Bonus
2013 – till date	-	10,000,000,000	₦0.50k	20,000,000,000	-	8,520,253,702	No Change

#### IV. DIRECTORS' INTERESTS

The Directors of the Issuer who directly hold shares in the Company and their respective direct shareholdings as recorded in the register of members as at February 25, 2019 are as follows:

NAME OF DIRECTORS	NUMBER OF SHARES HELD
Alhaji. Aliko Dangote, GCON	27,642,637
Mr. Olakunle Alake	6,931,702
Mr. Devakumar V.G. Edwin	5,000,000
Mr. Ernest Ebi, MFR	100,000
Mr. Emmanuel Ikazoboh	40,000
Mr. Abdu Dantata	8,680
Mr. Michel Puchercos	0
Sir Michael Davis	0
Mrs. Cherie Blair	0
Mr. Viswanathan Shankar	0
Mrs. Dorothy Ufot	0
Mr, Douraid Zaghouani	0

Mr. Arvind Pathak	0
Mr. Sani Dangote	0

## V. Share Buy-Back by the Issuer

By a resolution passed on January 22, 2020, the shareholders of the Issuer authorised it to undertake a share buy-back of up to 10% of its issued shares, on such terms and conditions and at such times as the Board deems fit, in accordance with the provisions of the Companies and Allied Matters Act Cap C20, LFN 2004 and other relevant laws, subject to obtaining relevant regulatory approvals. The details of the aforementioned corporate action have not been finalized and all regulatory approvals have not been obtained.

## VI. Summary of the Capital Structure of the Issuer

The table below sets out the issued and paid-up capital legally and/or beneficially held by shareholders holding more than 5% of the Issuer's ordinary shares as at 31 December 2019:

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	SHAREHOLDING (%)
Dangote Industries Limited	14,612,796,970	85.75%

The table below sets out a summary of the capital structure of the Issuer:

Description	12 months	12 months	12 months	12 months
₦ (Millions)	Ended 31 Dec 2019	Ended 31 Dec 2018	Ended 31 Dec 2017	Ended 31 Dec 2016
Cash and Cash Equivalent at end of year (net of bank overdrafts used for cash management)	112,091	159,026	161,755	109,401
Short-term Debt	244,155	209,576	129,200	203,990
Long-term Debt	107,279	125,725	242,894	152,475
Total Shareholders' Equity	886,640	975,127	768,730	738,453

## VII. Statement of Indebtedness

As at 31 December 2019, the Issuer's total borrowings amounted to approximately ₦225,530,000,000 (Two Hundred and Twenty-Five Billion, Five Hundred and Thirty Million Naira).

## VIII. Material Contracts

The following agreements are considered material to the transaction:

- **A Programme Trust Deed** dated 19th of October, 2017 between the Issuer on the one part and ARM Trustees Limited, FBNQuest Trustees Limited (formerly FBN Trustees Limited) and Quantum Zenith Trustees & Investments Limited (formerly Zenith Trustees Limited) (acting as Joint Trustees) on the other part, setting out the terms on which the bonds to be issued under the Programme are constituted.

- **A Programme Vending Agreement** dated the 19th of October, 2017 between the Issuer on the one part and Absa Capital Markets Nigeria Limited, Stanbic IBTC Capital Limited, Standard Chartered Capital and Advisory Nigeria Limited, United Capital PLC, Coronation Merchant Bank Limited, Ecobank Development Company Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria, Zenith Capital Limited (acting as Issuing Houses) on the other part, setting out the terms on which the Issuing Houses are to act as Issuing Houses in relation to the establishment of the Programme and as Issuing Houses and book runners, in relation to each issue under the Programme.
- **A Supplemental Trust Deed** dated 24 April 2020, between the Issuer on the one part and Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited, their successors and permitted assigns and/or any other trustee appointed by the Issuer in accordance with the Programme Trust Deed (acting as Trustees) on the other part, setting out additional terms and conditions applicable to the Series 1 Bonds.
- **An Accession Agreement** dated 24 April 2020, between Coronation Trustees Limited on the one part and ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited on the other part, and through which Coronation Trustees Limited acceded to the terms of the Programme and Series Trust Deeds, in its capacity as a Trustee.
- **A Vending Agreement** dated 24 April 2020 between the Issuer on the one part and Stanbic IBTC Capital Limited, Absa Capital Markets Nigeria Limited, Standard Chartered Capital and Advisory Nigeria Limited, United Capital PLC, Coronation Merchant Bank Limited, Ecobank Development Company Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria Limited, Quantum Zenith Capital & Investments Limited, Vetiva Capital Management Limited, Futureview Financial Services Limited and FCMB Capital Markets Limited (acting as Issuing Houses) on the other part, setting the terms on which the Issuing Houses agreed to market, manage and coordinate the offering of the Series 1 Bonds on the Issuer's behalf.

## IX. Claims and Litigation

The opinion of the Solicitors to the Transaction, in connection with the issuance of the Series 1 Bonds by the Issuer (the “**Transaction**”) is set out below:

“In our capacity as Solicitor to the Issue, we requested for information in relation to matters (a) with a minimum monetary claim of NGN100,000,000.00; and (b) seeking declaration in relation to the mining leases of the Issuer (Material Litigation). Further to our request, we were provided with the litigation files and relevant documents in respect of thirty-six (36) cases, involving Dangote Cement Plc. (the **Issuer**). We were also provided with a litigation schedule and we note that the Issuer has one hundred and thirty (130) cases pending against it in the Nigerian Courts (the **Litigation Schedule**). Of the Material Litigation, we note that (a) there are seven (7) matters challenging or seeking declarations in relation to the Issuer's mining leases; (b) one (1) case involves a claim for declaration of title to land; while (c) nineteen (19) cases relate to claims against the Issuer for death, bodily harm and damage caused to property, as a result of the reckless driving of drivers employed by the Issuer. These cases are at various stages of hearing in various courts, and the Issuer is exploring settlement options in one (1) of the cases relating to accidents allegedly caused by the reckless driving of drivers employed by the Issuer. Whilst we note that the litigation matters are liabilities which will remain with the Issuer after conclusion of the Transaction, we have nevertheless reported the Material Litigation with a combined monetary value of N79,178,907,885.00 (**Material Contingent Liability Amount**), in order to provide an insight into potential litigation liabilities of the Issuer. We also note that the directors of the Issuer are of the view that the claims against the Issuer will not have a significant effect on its financial health nor adversely affect the Transaction. In our opinion, any adverse decision in the Material Litigation is not likely to have an adverse effect on the Transaction. However, we are unable to predict the outcome of the cases against the Issuer.”

## **X. Corporate Governance**

As one of only eight companies with Premium Listing on the NSE, the Company is committed to implementing strong corporate governance through structures and policies that are consistent with international best practices and which ensure that the Company complies with all relevant laws and regulations in Nigeria and the other countries in which the Company operates.

The role and responsibilities of the Board of the Company are contained in the Board's charter. The Board's charter sets out guidelines on Board composition, meeting procedures and guidelines on how the Board is to manage its affairs. The Board has assessed the independence of its Non-Executive Directors against the criteria set out in the Nigerian Code of Corporate Governance, 2018. The Company also has other policies which have been put in place to ensure optimal governance practices for the Company including but not limited to Anti-Bribery and Corruption Policy, Board Appointment Policy, Board Development Policy, Board Evaluation Policy and Board Remuneration Policy.

The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves its strategic objectives. The Board is responsible for the efficient execution of corporate strategy based upon sound principles of corporate governance. The Board ensures leadership through effective oversight and review. As of the date of this document, the Board was composed of 14 people with skills in manufacturing, finance, engineering, business and law. The position of the Chairman and the Group Chief Executive Officer are held by separate persons. The Board meets regularly to set broad policies for the Company's business and operations and it ensures that a professional relationship is maintained with the Company's Joint Auditors in order to promote transparency in financial and non-financial reporting.

The Board governs the Company through the operation of board committees accompanied by monitoring and reporting systems. Each board committee has specific terms of reference issued by the Board. The Board presently has four committees, namely: Audit, Compliance and Risk Committee; Finance & Investment Committee; Technical & Sustainability Committee; and Remuneration/Governance & Nominations Committee.

## **XI. Mergers and Takeovers**

As at the date of this Pricing Supplement, the Directors are not aware of the following during the preceding financial year or current financial year:

- A merger or takeover offer by third parties in respect of the Issuer's securities; and
- A merger or takeover by the Issuer in respect of another company's securities.

## XII. Consents

The under listed parties have given and not withdrawn their written consents to the mention and inclusion of their names and reports (where applicable) in the form and context in which they appear in this Pricing Supplement:

<b>The Directors of Dangote Cement PLC</b>	Alhaji Aliko Dangote, GCON (Chairman) Mr. Michael Puchercos Mrs. Cherie Blair CBE, QC Sir Michael Davis Mr. Arvind Pathak Mr. Viswanathan Shankar Mr. Olakunle Alake Mr. Sani Dangote Mr. Abdu Dantata Mr. Ernest Ebi, MFR Mr. Devakumar V.G. Edwin Mr. Emmanuel Ikazoboh Mrs. Dorothy Ufot, SAN Mr. Douraid Zaghouani
<b>The Company Secretary of Dangote Cement PLC</b>	Mr. Mahmud Kazaure
<b>Lead Issuing House</b>	Stanbic IBTC Capital Limited
<b>Joint Issuing Houses</b>	Absa Capital Markets Nigeria Limited Standard Chartered Capital and Advisory Nigeria Limited United Capital PLC Coronation Merchant Bank Limited FBNQuest Merchant Bank Limited Rand Merchant Bank Nigeria Limited Quantum Zenith Capital & Investment Limited Ecobank Development Company Limited FCMB Capital Markets Limited Futureview Financial Services Limited Vetiva Capital Management Limited

<b>Solicitors to the Issuer</b>	Banwo & Ighodalo
<b>Solicitors to the Transaction</b>	Olaniwun Ajayi LP
<b>Joint Trustees</b>	ARM Trustees Limited FBNQuest Trustees Limited Quantum Zenith Trustees & Investments Limited Coronation Trustees Limited  Advised by: Sefton Fross
<b>Joint Auditors</b>	Akintola Williams Deloitte Ahmed Zakari & Co
<b>Registrar</b>	United Securities Limited
<b>Reporting Accountant</b>	PricewaterhouseCoopers
<b>Receiving Banks</b>	Access Bank PLC Zenith Bank PLC Fidelity Bank PLC First Bank of Nigeria Limited First City Monument Bank Limited United Bank for Africa PLC Stanbic IBTC Bank PLC
<b>Rating Agency</b>	Global Credit Rating Company Limited
<b>Stockbrokers</b>	Meristem Stockbrokers Limited

### **XIII. Documents Available for Inspection**

Copies of the following documents may be inspected at the offices of the Issuer and the Lead Issuing House during normal business hours on any weekday (except public holidays) from the date of issuance of this Pricing Supplement:

- i. The Certificate of Incorporation of the Issuer;
- ii. The Memorandum and Articles of Association of the Issuer;
- iii. The Board Resolution of the Issuer dated January 30, 2020 authorizing the Series 1 Bonds;
- iv. The Audited Financial Statements of the Issuer for each of the three years up to the year ended 31 December 2019;
- v. The Shelf Prospectus dated October 19, 2017;
- vi. This Pricing Supplement;
- vii. The Rating Report issued by Global Credit Rating Company Limited in respect of the Issuer;
- viii. The Rating Report issued by Moody's Investors Service Inc. in respect of the Issuer ;

- ix. The schedule of claims and litigation involving the Issuer together with the opinion of the Solicitors to the Transaction prepared in connection therewith;
- x. The Material Contracts referred to in Section VIII above;
- xi. Reporting Accountant's Report on the Audited Accounts of the Company for the three years up to the year ended 31 December 2018; and
- xii. Letter from the SEC approving the registration of this Pricing Supplement.

The above listed documents, which have been filed with the SEC, are incorporated by reference in this Pricing Supplement.

#### **XIV. Related Party Transactions**

The details of related party transactions are contained in the Audited Financial Statements of the Issuer for the year ended 31 December 2019 and are incorporated by reference.

#### **XV. Extract of Articles of Association of the Company**

##### **Borrowing Powers**

31. The Director shall have unlimited powers to borrow money on behalf of the company and 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.
32. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least one Director and the Secretary or such other person as the Director may appoint for the purpose, and the Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **XVI. Pledged Assets**

The Issuer created fixed and floating charges over all its assets, in favour of First Trustees Nigeria Limited, J.P. Morgan Corporate Trustees Services Limited, J.P. Morgan Chase Bank, N.A. Worldwide Security Services Restructuring and Exchange Management, securing the total sum of ₦61,802,000,000 (Sixty-One Billion Eight Hundred and Two Million Naira).

#### **XVII. Debtors and Creditors**

- i. Creditors constituting 5% and above of the company's total debt (equivalent to circa ₦18,992 million): Sinoma International Engineering Co. Ltd, DIL and Bulk Commodities Inc.
- ii. Debtors constituting 5% and above of the company's total credit (i.e. trade and other receivables, equivalent to circa ₦580 million): CCECC Nigeria Ltd.

## APPENDIX D: USE OF PROCEEDS

### *Nigeria Expansion Projects*

The Issuer is currently constructing two 3 million-ton plants each in Okpella and Obajana in order to boost its export strategy of supplying clinker and cement across West African markets. The Obajana project is well advanced whilst the Okpella project is at about 40% completion. The Issuer is also currently constructing export terminals in Apapa (Lagos), and Onne (Port-Harcourt). The projects are well advanced and will be capable of handling up to 6 million tons of clinker / cement export at maximum capacity utilization and would generate substantial foreign exchange and help improve Nigeria's balance of trade.

The total costs of these projects are estimated to be ₦312,000,000,000 (circa U\$860,000,000). These projects are currently being funded by a combination of internally generated cash and short-term borrowings. A portion of the proceeds from the Bond issuance will therefore be used to support further capital expenditure in relation to these projects, whilst refinancing previously incurred associated short-term debt.

### *Refinancing of Shareholder Loan*

DCP has been largely supported by loans from its parent company Dangote Industries Limited, where expedient. As at December 2019, the Issuer had an outstanding balance of about ₦37,000,000,000 in Shareholder loans. As this is short-term bridging finance, DCP plans to replace a portion of the shareholder loans with longer term funding from the Bond issue.

### *Working Capital*

The Issuer will also apply a portion of the proceeds raised from the Offer towards its operational working capital requirements.

Accordingly, the estimated net issue proceeds of the Series 1 Bond - being ₦98,834,423,000.00 following the deduction of the offer costs of ₦1,165,577,000.00 representing 1.17% of the gross issue proceeds - will be utilized for the purposes stated below:

S/N	PROJECT DESCRIPTION	TOTAL VALUE OF PROJECTS (₦)	AMOUNT TO BE FUNDED FROM BOND PROCEEDS (₦)	DURATION (Commencing From the Issue Date)
1	Nigeria Expansion Projects	312,000,000,000	47,834,423,000	12-18 months
2	Refinancing Shareholder Loan	37,000,000,000	21,000,000,000	Up to 12 months
3	Working capital requirements	50,000,000,000	30,000,000,000	Up to 12 months
	<b>TOTAL</b>	<b>399,000,000,000</b>	<b>98,834,423,000.00</b>	

## APPENDIX E: EXTRACT OF THE SERIES 1 TRUST DEED

### 2 THE SERIES 1 BONDS

**2.1 Principal Amount and Designation:** Pursuant to the provisions of the Programme Trust Deed, a Series of the Issuer's Bonds is hereby authorised in the aggregate principal amount of ₦100,000,000,000. Such Bonds shall be designated and distinguished from any other Bonds of all other Series by the title "**Series 1 Bonds**".

**2.2 Status:** The Series 1 Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* amongst themselves and rank at least *pari passu* with all other unsecured and unsubordinated obligations assumed by the Issuer other than those mandatorily preferred by law and are of general application.

**2.3 Tenor:** The Series 1 Bonds shall be issued for a five (5) years period commencing on the Issue Date and ending on the Maturity Date.

**2.4 Utilisation of Proceeds:**

- (a) The Issuer shall apply the net proceeds of the Bonds in accordance with the Pricing Supplement;
- (b) The Trustees shall not be bound to enquire as to the application by the Issuer of the net proceeds of the Series 1 Bonds nor shall they be responsible for such application or for the consequences of such application.

### 3. FORM AND DENOMINATION OF THE SERIES 1 BONDS

**3.1 Form and Denomination:** The Series 1 Bonds are in registered, dematerialised form and shall be registered with a separate securities identification code with a Depository. Each Series 1 Bondholder's holding of the Series 1 Bonds will be credited into its Securities Account. The Series 1 Bonds shall be issued in denominations of ₦1,000.00 (One Thousand Naira) with a minimum initial subscription of ₦10,000,000.00 (Ten Million Naira) and in integral multiples of ₦1,000.00 (One Thousand Naira) thereafter.

**3.2 Issue of the Series 1 Bonds.** Issue of the Series 1 Bonds will be effected by electronic transfer of the units of the Series 1 Bonds into the Securities Account of the Bondholder. The particulars of the Series 1 Bonds shall thereafter be entered in the Series 1 Bond Register, to be kept by the Registrar in its office, with a copy at the office of the Issuer.

### 4. PAYMENTS

**4.1 Redemption of Series 1 Bonds:** Unless previously purchased in accordance with clause 4.2, the Principal Amount of the Series 1 Bonds shall be redeemed in full on the Maturity Date. If, on the Maturity Date, any Series 1 Bond which is liable to be redeemed is not redeemed, the moneys payable to such Bondholder shall be paid to the Trustees and the Trustees shall hold such moneys in trust for such Bondholder and interest on such Series 1 Bond shall cease to accrue as from the Maturity Date and the Issuer shall thereby be discharged from all obligations in connection with such Bonds.

**4.2 Purchase:** The Issuer may at any time and from time to time purchase at any price Series 1 Bonds through the market or by tender (available to all Series Bondholders alike).

**4.3 Accrual of Interest:** Each Series 1 Bond shall bear interest from the Issue Date at the Coupon Rate

payable in arrears on the Principal Amount of the Series 1 Bonds on each Coupon Payment Date. Each Series 1 Bond will cease to bear interest from and including the Maturity Date, unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in clause 5.1(c) of the Programme Trust Deed and this clause 4.3.

**4.4** *Calculation of Coupon:* The amount of interest payable in respect of any Series 1 Bond for an Interest Period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount of such Series 1 Bond by the Actual/Actual Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Naira.

**4.5** *Manner of Payment:* The Principal Amounts of the Series 1 Bonds shall be paid by the Trustees through the Registrar in accordance with the Conditions.

**4.6** *Mode of Redemption of Series 1 Bonds:* Prior to the Maturity Date of the Series 1 Bonds, the Trustees shall instruct the Registrar to pay to each Bondholder on the Maturity Date, the amount payable to him in respect of the redemption of the Series 1 Bonds together with all interest accrued and yet unpaid thereon. If, on the Maturity Date, any Bondholder shall fail, refuse or be unable to accept payment of the redemption moneys payable in respect thereof, the Trustees shall hold such moneys in trust for such Bondholder and interest on such Bonds shall cease to accrue as from the Maturity Date and the Issuer shall thereby be discharged from all obligations in connection with such Bonds. The Trustees shall apply such moneys in accordance with Clause 14 of the Programme Trust Deed (*Application of Moneys*) and the Trustees shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Trustees.

## **5. REPRESENTATION AND WARRANTIES OF THE ISSUER**

The Issuer represents and warrants to the Trustees on the date of the Series 1 Trust Deed as follows:

- (a) the Representations and Warranties stated in Clause 9 of the Programme Trust Deed are in full force and effect as at the date of this Series 1 Trust Deed;
- (b) each of the Covenants stated in Clause 6 and 10 (of the Programme Trust Deed is valid and in effect as at the date of this Series 1 Trust Deed; and
- (c) no Event of Default or Potential Event of Default (as defined in Condition 12 of the Terms and Conditions of the Programme Trust Deed) has occurred and or is continuing.

## **6. REPRESENTATIONS AND WARRANTIES OF THE TRUSTEES**

The Trustees represents and warrants on the date of the Series 1 Trust Deed that the Representations and Warranties stated in Clause 11 of the Programme Trust Deed are in full force and effect as at the date of this Series 1 Trust Deed.

## **7. FUNDING OF PAYMENT ACCOUNT**

**7.1 Establishment of Account:** Pursuant to Clause 18 of the Programme Trust Deed, the Issuer shall, on or about the Issue Date of the Series 1 Bonds, establish the Payment Account with the Account Bank, in the name and under the exclusive control of the Trustees. The Trustees shall keep and maintain the Payment Account for as long as the Series 1 Bonds remain outstanding.

### **7.2 *Payment Account***

- (a) For as long as the Series 1 Bonds remain outstanding, the Issuer shall, not later than the Funding Date, ensure that the Payment Account is fully funded with the Payment Amount for that Coupon Payment Date. If the Payment Account is not fully funded with the Payment Amount for that Coupon Payment Date in accordance with this clause, the Trustees shall notify the Issuer in accordance with clause 0(c) below.
- (b) The Trustees shall, in conjunction with the Registrar, pay the Payment Amount from the Payment Account to the Bondholders entitled to same in clear funds on the relevant Coupon Payment Date.
- (c) The Trustees shall at the expense of the Issuer notify the Issuer if it has not, by close of business on the Funding Date received the full amount required for payment to Series 1 Bondholders, that it has not received the full amount required for payment to Series 1 Bondholders.

### **7.3 *Management of the Payment Account:***

- (a) The Trustees are hereby appointed to manage the Payment Account in accordance with Applicable Law, the Programme Trust Deed and this Series 1 Trust Deed, and the Trustees hereby agree to manage the Payment Account accordingly.
- (b) The Trustees shall stand possessed of the Payment Account upon trust, subject to the provisions of the Programme Trust Deed and this Series 1 Trust Deed and shall not deal with the Payment Account except in accordance with the Programme Trust Deed, the Series 1 Trust Deed and Applicable Law.
- (c) Upon request, the Trustees shall prepare and deliver to the Issuer appropriate quarterly periodic reports including bank statements, in respect of the management of the Payment Account.
- (d) Upon payment of Series 1 Bondholders of all amounts outstanding under this Series 1 Trust Deed and the Series 1 Bonds, and the settlement and performance of the Issuer's obligations under the Issue Documents, the Trustees shall remit to the Issuer such sums (if any) remaining in the Payment Account.

## **8 POWERS OF THE TRUSTEES**

The Trustees shall comply with its fiduciary duties owed to the Bondholders in accordance with the Programme Trust Deed and the Relevant Laws, including:

- (a) to manage the trust property in a responsible and productive manner;
- (b) to act for the benefit of the Bondholders in the management of the trust property and not to let their duties and that owed to the Bondholders conflict;

- (c) to ensure that the trust property is vested according to the terms of the trust established in the Programme Trust Deed;
- (d) to act honestly, prudently and in good faith in the performance of their duties and to exercise all due care, skill, diligence and vigilance in carrying out their functions and duties as trustees and in safeguarding the rights and interests of the Bondholders;
- (e) to clearly identify the trust property which are held in trust for the Bondholders;
- (f) not to commingle its funds with those of the trust;
- (g) to segregate its assets from the trust property and any other trust administered by the Trustees;
- (h) not to delegate their duties, except as permitted by the Programme Trust Deed;
- (i) to act impartially and solely in the best interest of all Bondholders;
- (j) take all necessary steps to ensure that the assets of the trust are adequately protected and insured where applicable;
- (k) not to charge, pledge or deal with the trust property except as authorised by the Programme Trust Deed and the Relevant Laws; and
- (l) to manage the trust property in a prudent and business-like manner.

## 9 MISCELLANEOUS

**9.1 *Enforcement upon default:*** Upon the occurrence of an Event of Default set out in Condition 12 (*Events of Default*) of the Terms and Conditions of the Programme Trust Deed, the Trustees may exercise any of the powers and rights set out in Clause 6.2 (Event of Default) and Clause 13 (*Enforcement*) of the Programme Trust Deed; and Condition 12 (*Events of Default*), and Condition 13 (*Enforcement*) of the of the Terms and Conditions of the Programme Trust Deed.

**9.2 *Application of Moneys:*** The Trustees shall apply all moneys received by them pursuant to this Series 1 Trust Deed in accordance with Clause 14 of the Programme Trust Deed (*Application of moneys*)

**9.3 *Notices:*** The notices provision of Clause 21 of the Programme Trust Deed shall apply *mutatis mutandis* to this Series 1 Trust Deed.

**9.4 *Counterparts:*** This Series 1 Trust Deed may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

**9.5 *Compliance with the ISA:*** The Trustees shall inform the SEC when it becomes necessary to enforce the terms of the Programme Trust Deed and this Series 1 Trust Deed and any breach of the terms and conditions of the Programme Trust Deed or this Series 1 Trust Deed not later than ten (10) Business Days after the breach.

## 10. STATUS OF THE SERIES 1 TRUST DEED

10.1 The terms and conditions of this Series 1 Trust Deed shall be subject to the provisions of the Relevant Laws.

## SCHEDULE 1 TERMS AND CONDITIONS APPLICABLE TO THE SERIES 1 BONDS

*The following is the text of the terms and conditions applicable to the Series 1 Bonds. The terms and conditions contained in Schedule 1 of the Programme Trust Deed, as amended, modified, supplemented or completed by the terms and conditions set out below (together the “**Conditions**”) are applicable to the Series 1 Bonds, and, save for the italicised text will govern and are expressly incorporated by reference into the Series 1 Bonds.*

*Capitalised terms used but not defined in the Conditions are subject to the detailed provisions of the Series 1 Trust Deed and in specified circumstances, the broader provisions of the Programme Trust Deed. The definitions in the Programme Trust Deed and the “Terms and Conditions of the Series 1 Bonds” in Schedule 1 to the Programme Trust Deed, shall apply mutatis mutandis in these Conditions.*

*The Series 1 Bonds are constituted by the Programme Trust Deed and supplemented by a separate trust deed (the “**Series 1 Trust Deed**”) dated 24 April 2020 between Dangote Cement Plc (as **Issuer**); and ARM Trustees Limited, Quantum Zenith Trustees & Investments Limited and FBNQuest Trustees Limited, Coronation Trustees Limited (as **Trustees** which expression shall include all persons for the time being acting as Trustees under the Programme Trust Deed), applicable to the Series 1 Bonds.*

*The Series 1 Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the Series 1 Trust Deed. Copies of the Programme Trust Deed and the Series 1 Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal office of the Trustees at No. 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos; Plot 2 Ajoose Adeogun Street, Victoria Island, Lagos, 16-18 Keffi Street, Ikoyi, Lagos, Coronation House II 10 Amodu Ojikutu Street, Victoria Island, Lagos and at the specified offices of the Registrar, United Securities Limited at Plot 009, Amodu Ojikutu Street, Victoria Island, Lagos.*

### **1 FORM, DENOMINATION AND TITLE**

- 1.1 **Form:** The Series 1 Bonds are issued in registered, dematerialised form. The Series 1 Bonds are senior unsecured fixed rate Bonds. The Series 1 Bonds shall be registered with a separate securities identification code with a Depository.
- 1.2 **Denomination:** The Series 1 Bonds shall be issued in minimum denominations of ₦1,000.00 (One Thousand Naira) with a minimum initial subscription of N10,000,000.00 (Ten Million Naira) and in integral multiples of ₦1,000.00 (One Thousand Naira) thereafter.
- 1.3 **Title:** Title to the Series 1 Bonds will be evidenced by registration in the Series 1 Bond Register. Title to the Series 1 Bonds will pass by transfer in accordance with the rules governing transfer of title of securities held by the Depository and registration thereafter in the Series 1 Bond Register. The holder of any Series 1 Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any person (as defined below) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” or “**holder**” means the person in whose name the Series 1 Bond is registered in the Series 1 Bond Register. All payments made to the holder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Series 1 Bonds.

## 2 REGISTRATION AND TRANSFER OF THE SERIES 1 BONDS

- 2.1 **Amount of Transfer:** The Series 1 Bonds are transferable in whole or in part, but if in part, of an amount not less than ₦1,000,000 (One Million Naira) by instrument in writing in the usual common form of transfer or in any form approved by the Recognised Stock Exchange and in accordance with Condition 2 (*Terms and Conditions of the Bond*) of the Programme Trust Deed.
- 2.2 **Register:** A Register of the Series 1 Bonds shall be kept by the Registrar at its office and a copy thereof shall be made available for inspection at the registered office of the Issuer, and there shall be entered in such Register:
- (a) The names and addresses of the holders for the time being of the Series 1 Bonds;
  - (b) The amount of the units of the Series 1 Bonds held by every registered holder;
  - (c) The Securities Account Number of the Series 1 Bondholder;
  - (d) The date at which the names of every registered holder is entered in respect of the Series 1 Bonds standing in his name;
  - (e) All transfers and redemptions of the Series 1 Bonds; and
  - (f) Such other information, considered necessary by the Registrar
- 2.3 **Transfer:** Transfer of the Series 1 Bonds shall be by book entries in securities accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer and the Trustees, and registration of the name of the transferee in the Series 1 Bond Register in respect of the Series 1 Bonds then held. The transferor shall be deemed the holder of the Series 1 Bonds until the transferee's name is entered in the Register in respect thereof.
- 2.4 **Listing:** The Series 1 Bonds shall be listed on a Recognised Stock Exchange.
- 2.5 **Restriction on Transfer:** There are no restrictions on the transferability of the Series 1 Bonds.
- 2.6 **Record Date:** No Bondholder may require the transfer of a Bond to be registered during a period of fifteen (15) days immediately preceding each Coupon Payment Date during which the Register will be closed.
- 2.7 **Regulations:** All transfers of Series 1 Bonds and entries on the Series 1 Bond Register will be made subject to the detailed regulations concerning transfer of Series 1 Bonds in the Programme Trust Deed and the Rules and Regulations of the SEC.

## 3 STATUS OF THE SERIES 1 BONDS

- 3.1 **Ranking:** The Series 1 Bonds are senior unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves, and at least *pari passu* with all other senior

unsecured obligations of the Issuer, present and future.

#### 4 COVENANTS

4.1 ***Covenant of Compliance:*** The Issuer undertakes to comply with each of the covenants stated in Clause 6 (*Covenant to Pay*) of the Programme Trust Deed for so long as any of the Series 1 Bonds remains outstanding.

#### 5 REDEMPTION, PURCHASE AND CANCELLATION

5.1 ***Redemption at Maturity:*** Unless previously redeemed, purchased or cancelled, the Principal Amount on the Series 1 Bonds shall be fully redeemed on the Maturity Date.

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

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

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 20 (twenty) nor more than 60 (sixty) days' notice to the Series 1 Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Series 1 Bonds on the relevant Optional Redemption Date at the Principal Amount Outstanding of the Series 1 Bonds, plus accrued interest (if any) to such date, *provided that* no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Series 1 Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Trustees a certificate signed by two directors of the Issuer stating that the requirement referred to in subparagraph (a) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on Series 1 Bondholders.

5.3 ***Mode of Redemption of Series 1 Bonds:*** Prior to the Maturity Date of the Series 1 Bonds, the Trustees shall, instruct the Registrar to pay to each Bondholder on the Maturity Date, the amount payable to him in respect of the redemption of the Series 1 Bonds together with all interest accrued and yet unpaid thereon. If, on the Maturity Date, any Bondholder shall fail, refuse or be unable to accept payment of the redemption moneys payable in respect thereof, the Trustees shall hold such moneys in trust for such Bondholder and interest on such Bonds shall cease to accrue as from the Maturity Date and the Issuer shall thereby be discharged from all obligations in connection with such Bonds. The Trustees shall apply such moneys in accordance with Clause 14 of the Programme Trust Deed (*Application of Moneys*) and

the Trustees shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Trustees.

- 5.4 **Purchase:** The Issuer may at any time and from time to time purchase Series 1 Bonds through the market or by tender (available to all Series 1 Bondholders alike but not otherwise), Provided that any Bonds purchased will be cancelled and will not be available for re-issue in accordance with the Programme Trust Deed.

## 6 INTEREST AND CALCULATION

- 6.1 **Accrual of Interest:** The Bonds shall bear interest on the Principal Amount at the Coupon Rate from (and including) the Issue Date to (but excluding) the Maturity Date. Interest shall be payable in arrears on each Coupon Payment Date. The first payment of interest will be made on the Coupon Payment Date following the Issue Date and subsequent interest payments shall be made on every Coupon Payment Date thereafter. Each Bond will cease to bear interest from and including the Maturity Date unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in this Condition until the date on which all amounts due in respect of such Bond have been paid and notice to that effect has been given to the Series 1 Bondholders.

- 6.2 **Calculation of Interest:** The amount of interest payable in respect of any Series 1 Bond for an Interest Period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount of the Series 1 Bond by the Actual/Actual Day Count Fraction and rounding the resulting figure to the nearest sub unit of the Naira.

- 6.3 **Calculation of Broken Interest:** When Interest is required to be calculated in respect of a period of less than a full 6 (six) months, it shall be calculated on an Actual/Actual basis.

## 7 PAYMENTS

- 7.1 Any principal, interest or other moneys payable on or in respect of the Series 1 Bonds may be paid by the Trustees through the Registrar by electronic payment transfer.

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

- 7.3 The Series 1 Bonds shall be deemed redeemed and the obligations of the Issuer discharged on payment to the Trustees, on behalf of Series 1 Bondholders, of the Principal Amount on the Series 1 Bonds to Series 1 Bondholders whose names appear on the Bond Register on the Record Date. Payment by the Issuer to the Trustees shall be a legal discharge of the liability of the Issuer towards Series 1 Bondholders from all obligations in connection with the Series 1 Bonds.

## 8 TAXATION

All payments of principal, interest and any other sum due in respect of the Series 1 Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to Series 1 Bondholders as a result thereof. Provided however that the Bonds shall enjoy the benefits of the provisions of the Tax Exemptions, and such extension, amendments and modifications thereof.

## 9 NEGATIVE PLEDGE

So long as the Series 1 Bonds shall remain outstanding, the Issuer shall not and shall procure that none of its Subsidiaries shall, secure any other Indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market, without securing the Series 1 Bonds equally and rateably with such Indebtedness.

## 10 EVENTS OF DEFAULT

The provisions of Condition 12 (*Events of Default*) of the Programme Trust Deed shall apply *mutatis mutandis* in respect of the Series 1 Bonds.

## 11 ENFORCEMENT

The provision of Condition 13 (*Enforcement*) of the Programme Trust Deed will apply *mutatis mutandis* to the Series 1 Bonds.

## 12 NOTICES

12.1 **Addresses for notices:** All notices and other communications hereunder shall be made in writing and in English (by letter, telex or fax) and shall be sent as follows:

- (a) If to **Dangote Cement Plc** at:  
1 Alfred Rewane Road  
Ikoyi  
Lagos State  
Nigeria.  
Tel: +234 1 2714 646  
For the Attention of: The Group Chief Financial Officer  
Email: [guillaume.moyen@dangote.com](mailto:guillaume.moyen@dangote.com)
- (b) If to **ARM Trustees Limited** at:  
1 Mekunwen Road  
Off Oyinkan Abayomi Drive,  
Ikoyi  
Lagos State  
Nigeria.  
Tel: +234 (1) 2692097, 2695508-10 ext 121  
For the Attention of: Michael Abiodun Thomas  
Email: [armtrustees-CT@arm.com.ng](mailto:armtrustees-CT@arm.com.ng)

- (c) If to ***Quantum Zenith Trustees & Investments Limited*** at:  
Plot 2 Ajose Adeogun Street,  
Victoria Island,  
Lagos.  
Tel: +234 1 278 3216  
For the Attention of: Joshua Bayode / Onyeche Emefiele  
Email: [Joshua.Bayode@quantumzenith.com.ng](mailto:Joshua.Bayode@quantumzenith.com.ng)/ [Onyeche.Emefiele@quantumzenith.com.ng](mailto:Onyeche.Emefiele@quantumzenith.com.ng)
- (d) If to ***FBNQuest Trustees Limited*** at:  
10 Keffi Street,  
South West Ikoyi  
Lagos.  
Tel: +234-1- 2798300 Ext- 2803  
For the Attention of: Frederick Obodozie  
Email: [corporatetrust@fbnquest.com](mailto:corporatetrust@fbnquest.com)
- (e) If to ***Coronation Trustees Limited*** at:  
Coronation House II  
10 Amodu Ojikutu Street,  
Victoria Island  
Lagos.  
Tel: 0803 441 6890 / +234 1 236 6249  
For the Attention of: Omolola Iyinolakan  
Email: [oiyinolakan@coronationnt.com](mailto:oiyinolakan@coronationnt.com)

12.2 ***Effectiveness***: Every notice or other communication sent in accordance with Clause 12.1 shall be effective as follows:

- (m) ***Personal delivery***: if delivered by hand or by courier, on signature of a delivery receipt or at the time the notice is left at the address;
- (n) ***Email***: if sent by e-mail, one hour after the notice was sent with proof of delivery thereof or upon acknowledgment of receipt, whichever is earlier;

*provided that* any such notice or other communication which would otherwise take effect after 5.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

### 13 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

- 13.1 ***Meetings of Bondholders***: Schedule 3 of the Programme Trust Deed contains provisions for convening meetings of Series 1 Bondholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Programme Trust Deed.
- 13.2 ***Notification to Series 1 Bondholders***: Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on Series 1 Bondholders and, unless the Trustees agree otherwise, any modification or substitution shall, upon prior review and approval by the SEC, be notified by the Issuer to Series 1 Bondholders as soon as practicable thereafter in accordance with Condition 18 of the Programme Trust Deed.
- 13.3 ***Governing Law***: The Series 1 Trust Deed, the Series 1 Bonds and the Coupons shall be governed by and construed in all respects in accordance with the laws of the Federal Republic of Nigeria.
- 13.4 ***Jurisdiction***: The provisions of clause 24 (*Law and Jurisdiction*) of the Programme Trust Deed shall apply mutatis mutandis to these Conditions.

**SCHEDULE 2 REPAYMENT SCHEDULE**

PERIOD	OPENING BALANCE	COUPON PAYMENT	PRINCIPAL REPAYMENT	TOTAL REPAYMENT	CLOSING BALANCE	DATE OF PAYMENT
1	100,000,000,000.00	6,712,328,767.12	-	6,712,328,767.12	100,000,000,000.00	30-Oct-20
2	100,000,000,000.00	6,232,876,712.33	-	6,232,876,712.33	100,000,000,000.00	30-Apr-21
3	100,000,000,000.00	6,267,123,287.67	-	6,267,123,287.67	100,000,000,000.00	30-Oct-21
4	100,000,000,000.00	6,232,876,712.33	-	6,232,876,712.33	100,000,000,000.00	30-Apr-22
5	100,000,000,000.00	6,267,123,287.67	-	6,267,123,287.67	100,000,000,000.00	30-Oct-22
6	100,000,000,000.00	6,232,876,712.33	-	6,232,876,712.33	100,000,000,000.00	30-Apr-23
7	100,000,000,000.00	6,250,000,000.00	-	6,250,000,000.00	100,000,000,000.00	30-Oct-23
8	100,000,000,000.00	6,250,000,000.00	-	6,250,000,000.00	100,000,000,000.00	30-Apr-24
9	100,000,000,000.00	6,267,123,287.67	-	6,267,123,287.67	100,000,000,000.00	30-Oct-24
10	100,000,000,000.00	6,232,876,712.33	100,000,000,000.00	106,232,876,712.33	0.00	30-Apr-25

## APPENDIX F: EXTRACT FROM REPORTING ACCOUNTANT'S REPORT



17 October 2019

Independent assurance report to:

The Board of Directors  
Dangote Cement Plc  
Union Marble House  
1 Alfred Rewane Road  
Ikoyi  
Lagos

and

The Directors  
**Absa Capital Markets Nigeria Limited**  
38A Glover Road  
Ikoyi  
Lagos

The Directors  
**Standard Chartered Capital and Advisory Nigeria Limited**  
142 Ahmadu Bello Way  
Victoria Island  
Lagos

The Directors  
**Stanbic IBTC Capital Limited**  
L.B.T.C Place  
Walter Carrington Crescent  
Victoria Island  
Lagos

The Directors  
**United Capital Plc**  
12<sup>th</sup> Floor UBA House  
57 Marina  
Lagos

Dear Sirs

We have reviewed the accompanying consolidated and separate statement of financial position for the year ended 31 December 2018, consolidated and separate statement of profit or loss, consolidated and separate statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow for the year ended, and the related explanatory notes (together, "the financial information"). The financial information is based on the audited financial statement of Dangote Cement Plc and its subsidiaries (the "Group").

### Directors Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements on which the financial information is based, in accordance with the basis of accounting described in the financial information and for such internal control as is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

### Our Responsibility

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

*PricewaterhouseCoopers Chartered Accountants  
Landmark Towers, 58 Water Corporation Road, Victoria Island, Lagos, Nigeria*



A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

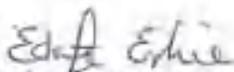
### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects the state of the financial position of the group as at the date stated and of its profit or loss and cash flows for the year then ended, in accordance with the Group's accounting policies.

### Basis of Accounting

Without modifying our conclusion, we draw attention to the significant accounting policies included in the financial information which describe the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction by Dangote Cement Plc. As a result, the financial information may not be suitable for another purpose.

Yours faithfully



For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Edafe Erhie  
FRC/2013/ICAN/ 0000000143



17 October 2019

## APPENDIX G: EXTRACT OF RATINGS

Rating Report issued by Global Credit Rating Company Limited:

GLOBAL CREDIT RATING CO.

**GCR** | GLOBAL CREDIT RATING CO.  
L1GH Expertise • Global Presence

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### Dangote Cement Plc N300bn Debt Issuance Programme (N100bn Series 1 Bonds)

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Nigeria Corporate Bond Analysis – New Issuance Report

February 2020

Security class	Rating scale	Indicative rating*	Rating outlook	Expiry date
N100bn Series 1 Senior Unsecured Bonds	National	AA <sup>+</sup> <sub>(NIG)</sub>	Stable	June 2020

**Key Transaction counterparties:**  
**Issuer:** Dangote Cement Plc (“Dangote” or “the Group”)  
**Issuer’s long term credit rating:** AA<sup>+</sup><sub>(NIG)</sub>  
**Lead Issuing Houses:** Stanbic IBTC Capital Limited  
**Joint Issuing Houses:** Absa Capital Markets Nigeria Ltd., Standard Chartered Capital and Advisory Nigeria Ltd., Citicomon Merchant Bank Ltd., Future View Financial Services Ltd., Verity Capital Management Ltd., FBNQuest Merchant Ltd., TCMB Capital Markets Ltd., United Capital Plc, Rana Merchant Bank Nigeria Ltd., Ecobank Development Company Ltd., Quansan Zenith Capital & Investment Ltd.  
**Joint Trustees:** ARM Trustees Ltd., FBNQuest Trustees Ltd., Citicomon Trustees Ltd., Quansan Zenith Trustees & Investments Ltd.  
**Solicitors to the Issuer:** Bayers & Ighodalo  
**Solicitor to the Transaction:** Chantrean Ajayi LP  
**Key Transaction Documentation:** Shelf Prospectus, Series 1 Trust Deed, Series 1 Pwmg Supplement.

**Transaction summary**  
Dangote Cement Plc registered a N300bn Debt Issuance Programme (“the Programme” or “DIP”) with Securities and Exchange Commission (“SEC”) in October 2017. The DIP is backed by a resolution of the Board of Directors (“the Board”) of the Issuer. An initial N100bn is expected to be raised in Series 1 Bond Issuance under the Programme. The net proceeds shall be utilised for capacity expansion project, export terminal project and refinancing of shareholder loan. The Series 1 Bonds shall have a legal maturity tenor of five years with expected maturity in 2025. The Bonds shall constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.  
GCR has accorded an indicative rating of AA<sup>+</sup><sub>(NIG)</sub> to the Series 1 Bonds, and not the Programme. The rating relates to the ultimate payment of principal and coupon (as opposed to timely, akin to an expected loss rating, which is a function of probability of default and loss severity).

**Summary rating rationale**

- The Issuer is Africa’s leading integrated cement manufacturer, with a combined installed capacity of 45.6 million tonnes per annum across ten countries. Nevertheless, its geographical spread is counterbalanced by single market concentration, with Nigeria accounting for 88% of group EBITDA and 64% of capacity at FY19. GCR affirmed the Issuer’s long term rating at AA<sup>+</sup><sub>(NIG)</sub> with a Stable outlook in January 2020. The rating reflects Dangote’s substantial production capacity, its extensive distribution network, significant scale economies and position as the largest corporate on The Nigerian Stock Exchange.
- The Programme Trust Deed does not offer Bondholders any security over assets but does feature a negative pledge and other covenants to protect the interest of Bondholders.
- As the Series 1 Bonds are direct, unconditional, senior, unsecured and unsubordinated obligations of the Issuer, the Bonds will bear the same rating as the Issuer, and any change in the rating assigned to the Issuer will directly affect the Bond rating.
- Dangote has demonstrated robust earnings generating capacity over the years, supported by its low fixed cost model, scale economies and clinker sufficiency in Nigeria. GCR expects some margin pressure to persist in Nigeria in particular. The attainment of medium-term targets will also depend on improved economic conditions and improved earnings contribution from other markets.
- The Issuer reports robust cash generation which peaked at N392.3bn in FY19 and supported operating cash flow coverage of total debt of 108%, despite ongoing expansion related working capital absorptions
- Gearing metrics remain moderate at FY19, with net gearing reported at 27%, and net debt to EBITDA at 62%. However, this could escalate following successful issuance of the proposed Series 1 Bonds.

**Summary of Transaction:**

Asset class	Senior unsecured
Programme limit	N300bn
Series 1 Bond size	N100bn
Term	5 years
Maturity Date	2025
Interest rate	12.5%
Interest basis	Fixed, payable semi-annually
Principal redemptions	Bullet repayment upon maturity
Negative pledge	Yes

**Related methodologies/standards:**  
Global Master Criteria for rating Corporate entities, updated February 2018.  
Dangote Cement Plc Issuer rating report, 2016-2019  
Glossary of terminology, February 2018

**GCR contacts:**  
**Primary Analyst:**  
Femi Ayere  
Analyst  
femi@globalratings.com  
**Committee Chairperson:**  
Dave King  
Analyst location: Lagos, Nigeria

125 41 984 9462  
www.globalratings.com.ng

\*The final rating will be accorded upon receipt of satisfactorily signed and executed final transaction documents.

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Nigeria Corporate Bond Analysis | Public Credit Rating

## Rating report issued by Moody's Investors Service, Inc.:

### MOODY'S INVESTORS SERVICE

#### Rating Action: **Moody's assigns (P)B2/Aa3.ng ratings to Dangote Cement Plc's DMTN program and B2/Aa3.ng to proposed series 1 notes**

24 Mar 2020

DIFC - Dubai, March 24, 2020 – Moody's Investors Service, ("Moody's") has today assigned a (P)B2 local currency rating and Aa3.ng national scale rating (NSR) to the NGN300 billion domestic medium term note program (DMTN) issued by Dangote Cement Plc (DCP) and assigned a B2 local currency rating and Aa3.ng NSR to the proposed series 1 notes to be issued under the DMTN program.

At the same time, Moody's has affirmed DCP's B1 corporate family rating (CFR), B1-PD probability of default rating and Aa2.ng NSR CFR. The rating outlook is negative.

A complete list of rating actions can be found at the end of this press release.

#### RATINGS RATIONALE

The (P)B2 and Aa3.ng ratings assigned to the DMTN program and B2 / Aa3.ng ratings to the company's series 1 unsecured notes are one notch lower than the company's B1 CFR. This reflects their subordination to the company's secured debt in the capital structure. In addition, the series 1 notes do not benefit from upstream guarantees from operating subsidiaries where the bulk of the secured debt is issued. As a result, the notes effectively rank junior to other operating subsidiary secured liabilities in a default scenario.

DCP's B1 CFR, which is one notch above the Government of Nigeria's B2 rating, considers the company's strong intrinsic credit quality balanced against meaningful linkage and limited ability to withstand stress at the Nigerian sovereign or macroeconomic level.

The B1 rating is supported by the company's (1) strong market presence in Nigeria and other African markets in which it operates; (2) high gross margins above 60% on a Moody's adjusted basis; (3) low leverage of 0.9x, as measured by gross debt/EBITDA and high interest coverage of 6.6x, as measured by EBIT/interest expense, in 2019; (4) funding policies that match debt funding to the local currency cash flow generation; and (5) prudent financial policies that ensure credit metrics remain strong through operating and project build cycles.

The ratings also factor (1) the relatively small scale level of cement production when compared to global peers, with production of 22.8 million tons (mt) for 2019; (2) single product exposure being cement; (3) a concentration of production in Nigeria, representing 68% of revenues in 2019; (4) high reliance on short term debt funding exposing the company to liquidity risk; and (5) an aggressive dividend policy.

#### LIQUIDITY

DCP's liquidity profile is weak because it relies on the rollover of short term debt and commercial paper funding, equal to NGN106 billion and NGN137 billion respectively as of 31 December 2019. Combined with the board recommended dividend of NGN273 billion (approx.\$750 million), which if approved and paid in June 2020, will weaken DCP's liquidity and expose the business to refinance risk.

Moody's recognizes that DCP has a good track record of accessing the local funding market given its low leverage, blue chip corporate status in Nigeria and strong local banking relations. Furthermore, Moody's expects a portion of the proceeds from the issuance of the proposed notes to be used to refinance short term debt which will somewhat improve the company's liquidity profile.

#### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

The cement industry is energy intensive and the mining and manufacturing process for cement production consume large amounts of coal, electricity and water. Dangote's production meets domestic emission standards and the company has implemented measures to increase energy efficiency.

In terms of corporate governance, the company is 85.1% owned by Dangote Industries Limited, which is in turn owned by its founder and chairman, Aliko Dangote. This does present key man risk in Moody's view given that

Mr. Dangote continues to play a pivotal role in the fortunes of the company.

#### RATIONALE FOR THE NEGATIVE OUTLOOK

The negative outlook mirrors the Nigerian sovereign negative outlook, reflecting Moody's view that the credit quality of DCP is tied to the economic and political developments in Nigeria. The negative outlook further reflects DCP's reliance on short term funding combined with high annual dividends payments, which expose the company to a potential liquidity shortfall over the next 12 to 18 months. Moody's expect the issuance of long term debt to reduce the reliance on short term debt, alleviating near term liquidity risk.

#### WHAT COULD CHANGE THE RATING UP/DOWN

A rating upgrade is unlikely, given DCP's B1 rating is constrained by the Government of Nigeria's local currency issuer rating of B2. Due to the high revenue contribution from its domestic operations, there is a strong interlinkage between DCP's rating and the sovereign rating, which prevents DCP to be rated more than one rating level above the sovereign. Even if the sovereign rating were to be upgraded, DCP would need to demonstrate a track record of good liquidity management for an upgrade to be considered.

The ratings are likely to be downgraded in the case of a downgrade of the Government of Nigeria's rating. A downgrade could also occur if (1) liquidity does not improve; (2) the Nigerian government introduces special taxes, levies or other punitive measures that negatively impact DCP's profits or cashflow, such that operating margins falls below 20% on a sustained basis and adjusted debt to EBITDA trends above 4x or adjusted EBIT to interest expense trends below 2.5x; and (3) DCP moves away from its policy of matching the currency of its underlying cash flows with that of its debt.

**APPENDIX H: FINANCIAL SUMMARY**

**Deloitte.**

Deloitte & Touche  
 Civic Towers  
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 Victoria Island  
 P.O. Box 665, Lagos  
 Lagos  
 Tel: +234 (1) 806 1700  
 www.deloitte.com/ng



11, Place des Nations, 92011 Nanterre  
 Cedex 20, France  
 P.O. Box 9700  
 Paris  
 Tel: +33 (1) 1 47 88 30 00  
 Fax: +33 (1) 47 88 30 01  
 E-mail: [audit@deloitte.fr](mailto:audit@deloitte.fr)

**INDEPENDENT JOINT AUDITORS' REPORT**  
**To the Shareholders of Dangote Cement Plc**  
**Report on the audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the accompanying consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statement of financial position as at 31 December 2019, the consolidated and separate statements of profit or loss, comprehensive income, changes in equity, cash flows for the year then ended, the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Cement Plc as at 31 December 2019 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2017.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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

Key Audit Matter	How the matter was addressed in the audit
<b>Complexity of Multi-jurisdictional operations</b>	
<p>The Group operates in multiple jurisdictions, exposing it to a variety of different laws and regulations, and interpretations thereof.</p>	<p>We performed an assessment of the material components impacting the Group's tax expense, balances and exposures, including those with material regulatory compliance requirements. We reviewed and challenged the information reported by subsidiaries with the support of local auditors and tax specialists, where appropriate. With the support of our tax specialists at Group level, we verified the consolidation and analysis of tax balances, expense and disclosures.</p>
<p>The nature of its business subjects it to regulations by various authorities across the jurisdictions in which it operates. These regulations include taxation, environmental and company laws and give rise to complexity and uncertainty in respect of general compliance.</p>	<p>We assessed at each component, the material compliance requirements with respect to local laws and regulations. This was assessed by the local auditors with knowledge of the local laws and regulations affecting the entity.</p>
<p>Due to their significance in quantitative and qualitative terms for tax provisions and other regulatory compliance requirements respectively to the Group financial statements as a whole, combined with the judgement and estimation required to determine the current and deferred tax balances.</p>	<p>We reviewed internal reports and performed procedures to identify actual and potential non-compliance with laws and regulations specific to the Group business.</p>
<p>As disclosed in notes 4.2.2, 14 and 18 to the financial statements, this is considered to be a key audit matter in view of its significance.</p>	<p>Based on the procedures performed above, we believe that the tax balances were properly measured and disclosed. We also noted no exception from our review of other regulatory compliance requirements.</p>

#### **Other information**

The directors are responsible for the other information. The other information comprises the directors' Report, Audit Committee's Report and Company Secretary's Report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our report thereon.

Our opinion on the consolidated and separate 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.

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

#### **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2001 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and 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.

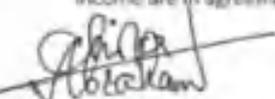
We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related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

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP (C20 LFN 2004), we expressly state that:

- i) 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.
- ii) The Group and Company have kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position, statements of profit or loss and comprehensive income are in agreement with the books of account and returns.



**Abraham Udenari, FCA**  
FRC/2013/ICAN/0000000853  
For: Deloitte & Touche  
Chartered Accountants  
Lagos, Nigeria  
26 February, 2020



**Olukayode Lawal, FCA**  
FRC/2013/ICAN/0000000748  
For: Ahmed Zakari & Co  
Chartered Accountants  
Lagos, Nigeria  
26 February, 2020



## DANGOTE CEMENT PLC

### CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2019

	Notes	Group		Company	
		Year ended 31/12/19	Year ended 31/12/18	Year ended 31/12/19	Year ended 31/12/18
		N'million	N'million	N'million	N'million
Revenue	5	891,671	901,213	610,247	618,301
Production cost of sales	7	(379,089)	(383,311)	(181,009)	(170,288)
<b>Gross profit</b>		<b>511,682</b>	<b>517,902</b>	<b>429,238</b>	<b>448,013</b>
Administrative expenses	8	(54,124)	(52,501)	(27,400)	(27,108)
Selling and distribution expenses	9	(160,645)	(136,925)	(109,185)	(89,278)
Other income	11	2,980	10,222	1,247	3,783
<b>Profit from operating activities</b>		<b>299,893</b>	<b>338,698</b>	<b>293,899</b>	<b>335,410</b>
Finance income - interest	10	7,610	11,323	36,713	37,705
Finance income - others	10	-	-	10,845	41,673
Finance costs	10	(57,073)	(49,778)	(26,037)	(22,565)
Share of profit from associate	18.3	649	563	-	-
<b>Profit before tax</b>		<b>250,479</b>	<b>300,806</b>	<b>315,420</b>	<b>392,223</b>
Income tax (expense)/credit	14	(49,958)	89,519	(54,071)	89,233
<b>Profit for the year</b>		<b>200,521</b>	<b>390,325</b>	<b>261,349</b>	<b>481,456</b>
Profit for the year attributable to:					
Owners of the Company		200,935	388,983	261,349	481,456
Non-controlling interests		(414)	1,342	-	-
		<b>200,521</b>	<b>390,325</b>	<b>261,349</b>	<b>481,456</b>
Earnings per share, basic and diluted (Naira)	13	<b>11.79</b>	<b>22.83</b>	<b>15.34</b>	<b>28.25</b>

The accompanying notes on pages 16 to 76 and other national disclosures on pages 77 to 79 form an integral part of these consolidated and separate financial statements.

## DANGOTE CEMENT PLC

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

	Group		Company	
	Year ended 31/12/19 N'million	Year ended 31/12/18 N'million	Year ended 31/12/19 N'million	Year ended 31/12/18 N'million
<b>Profit for the year</b>	<b>200,521</b>	<b>390,325</b>	<b>261,349</b>	<b>481,456</b>
<b>Other comprehensive income, net of income tax:</b> <i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating net investments in foreign operations	(16,412)	(6,147)	-	-
<b>Other comprehensive (loss)/income for the year, net of income tax</b>	<b>(16,412)</b>	<b>(6,147)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>184,109</b>	<b>384,178</b>	<b>261,349</b>	<b>481,456</b>
Total comprehensive income for the year attributable to:				
Owners of the Company	184,304	386,147	261,349	481,456
Non-Controlling Interests	(195)	(1,969)	-	-
	<b>184,109</b>	<b>384,178</b>	<b>261,349</b>	<b>481,456</b>

*The accompanying notes on pages 16 to 76 and other national disclosures on pages 77 to 79 form an integral part of these consolidated and separate financial statements.*

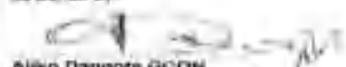
## DANGOTE CEMENT PLC

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

	Notes	Group		Company	
		31/12/19 M'million	31/12/18 M'million	31/12/19 M'million	31/12/18 M'million
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	1,200,749	1,171,004	540,834	530,934
Intangible assets	16	3,603	5,989	69	48
Right of use assets	17	11,800	-	894	-
Investments in subsidiaries	10.2	-	-	102,071	162,071
Investment in associate	16.3	4,901	4,312	1,362	1,362
Finance lease receivables	22	11,200	6,470	11,200	6,470
Deferred tax asset	14.3	44,760	40,622	14,350	14,961
Prepayments for property, plant & equipment	19.1	31,253	36,363	5,690	-
Other receivables	31	-	-	663,113	560,277
<b>Total non-current assets</b>		<b>1,334,615</b>	<b>1,265,625</b>	<b>1,404,994</b>	<b>1,288,948</b>
<b>Current assets</b>					
Inventories	20	714,600	100,890	67,756	59,620
Trade and other receivables	21	30,001	44,465	11,600	11,046
Prepayments and other current assets	19.2	127,042	101,883	272,661	252,568
Finance lease receivables	22	4,200	2,300	4,200	2,300
Current income tax receivables	14.2	6,716	6,213	6,712	6,211
Cash and bank balances	32	125,303	160,690	59,757	105,900
<b>Total current assets</b>		<b>406,736</b>	<b>428,838</b>	<b>416,990</b>	<b>441,626</b>
<b>Total assets</b>		<b>1,741,351</b>	<b>1,694,463</b>	<b>1,823,984</b>	<b>1,721,974</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	25	294,738	230,970	129,647	92,679
Lease liabilities	33	1,409	-	-	-
Current income tax payable	14.2	49,892	9,223	49,127	6,605
Financial liabilities	26	300,031	220,120	200,000	145,430
Other current liabilities	27.2	34,000	35,185	30,735	37,836
<b>Total current liabilities</b>		<b>630,794</b>	<b>495,898</b>	<b>410,575</b>	<b>284,759</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	14.3	93,041	63,350	86,473	60,033
Financial liabilities	26	107,279	123,725	38,700	62,163
Lease liabilities	33	7,447	-	-	-
Long term provisions and other charges	28	3,664	2,753	1,800	1,310
Deferred revenue	27.1	369	510	37	190
<b>Total non-current liabilities</b>		<b>212,620</b>	<b>212,344</b>	<b>131,100</b>	<b>143,667</b>
<b>Total liabilities</b>		<b>843,414</b>	<b>707,856</b>	<b>541,735</b>	<b>428,426</b>
<b>Net assets</b>		<b>897,937</b>	<b>986,613</b>	<b>1,282,249</b>	<b>1,293,548</b>
<b>Equity</b>					
Share capital	23.1	5,020	5,020	5,020	5,020
Share premium	23.1	42,430	42,430	42,430	42,430
Capital contribution	23.4	2,677	2,677	2,626	2,625
Currency translation reserve	23.3	35,374	72,000	-	-
Retained earnings		776,636	645,616	1,226,471	1,208,770
<b>Equity attributable to owners of the company</b>		<b>862,640</b>	<b>770,127</b>	<b>1,276,249</b>	<b>1,258,845</b>
Non-controlling interest		11,297	11,486	-	-
<b>Total equity</b>		<b>873,937</b>	<b>781,613</b>	<b>1,276,249</b>	<b>1,258,845</b>
<b>Total equity and liabilities</b>		<b>1,741,351</b>	<b>1,694,463</b>	<b>1,823,984</b>	<b>1,721,974</b>

The accompanying notes on pages 16 to 76 and other national disclosures on pages 77 to 79 form an integral part of these consolidated and separate financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on the 28th February, 2020 and were signed on its behalf by:

  
Aliko Dangote, GCMM  
Chairman, Board of Directors  
PRC/2017/010/N/11800001796

  
Michel Fuchereux  
Group Chief Executive Officer/GMD  
PRC/2017/010/N/118000015910

  
Guillaume Moyan  
Acting Group Chief Finance Officer  
PRC/2016/05/100000020236

**DANGOTE CEMENT PLC**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Group	Share capital	Share premiums	Retained earnings	Company provision reserve	Capital contribution	Attributable to the owners of the parent	Non- Controlling interests	Total equity
	₦million	₦million	₦million	₦million	₦million	₦million	₦million	₦million
Balance as at 1st January 2018	8,520	42,430	839,462	75,441	2,877	768,730	(2,439)	781,369
Profit for the year	-	-	388,983	-	-	388,983	1,342	390,325
Other comprehensive income for the year net of income tax (see note)	-	-	-	(2,826)	-	(2,826)	(2,311)	(8,147)
Total comprehensive income for the year	-	-	388,983	(2,826)	-	386,157	(1,009)	384,178
Effect of changes in subsidiary ownership	-	-	(825)	-	-	(825)	(65)	-
Dividends paid	-	-	(178,925)	-	-	(178,925)	-	(178,925)
Balance as at 31st December 2018	8,520	42,430	848,595	72,615	2,877	975,127	(11,489)	986,613
Profit for the year	-	-	201,308	-	-	208,935	(114)	208,821
Other comprehensive income for the year net of income tax (see note)	-	-	-	(16,031)	-	(16,031)	(218)	(16,412)
Total comprehensive income for the year	-	-	201,308	(16,031)	-	192,904	(332)	192,572
Dividends paid	-	-	(272,844)	-	-	(272,848)	(117)	(272,765)
Effect of changes in subsidiary ownership	-	-	(114)	-	-	(114)	(43)	-
Balance as at 31st December 2019	8,520	42,430	776,959	56,584	2,877	886,846	(11,983)	887,937

**DANGOTE CEMENT PLC**

**SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2019**

**Company**

	Share capital	Share premium	Capital contribution	Retained earnings	Total equity
	₦million	₦million	₦million	₦million	₦million
<b>Balance as at 1st January 2018</b>	<b>6,528</b>	<b>42,438</b>	<b>2,628</b>	<b>937,288</b>	<b>991,011</b>
Profit for the year	-	-	-	481,456	481,456
Other comprehensive income for the year, net of income tax (see note 18)	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,456</b>	<b>481,456</b>
Dividends paid	-	-	-	(178,925)	(178,925)
<b>Balance as at 31st December 2018</b>	<b>6,528</b>	<b>42,438</b>	<b>2,628</b>	<b>1,239,778</b>	<b>1,293,548</b>
Profit for the year	-	-	-	281,549	281,549
Other comprehensive income for the year, net of income tax (see note 18)	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281,549</b>	<b>281,549</b>
Dividends paid	-	-	-	(272,640)	(272,640)
<b>Balance as at 31st December 2019</b>	<b>6,528</b>	<b>42,438</b>	<b>2,628</b>	<b>1,228,471</b>	<b>1,282,249</b>

**DANGOTE CEMENT PLC**
**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Notes	Group		Company	
		Year ended 31/12/18 Mmillion	Year ended 31/12/18 Mmillion	Year ended 31/12/18 Mmillion	Year ended 31/12/18 Mmillion
<b>Cash flows from operating activities</b>					
Profit before tax		200,478	300,606	810,430	352,323
Adjustments for:					
Depreciation & amortisation	15, 16 & 17	90,462	96,203	33,454	31,008
Write-off and impairment of property, plant and equipment		71	300	27	-
Interest expense	10	45,028	41,415	30,771	30,812
Interest income	16	(7,810)	(11,325)	(30,213)	(27,785)
Net exchange loss/(gain) on borrowings and non-operating assets		8,081	(1,970)	(12,170)	(50,398)
Share of income from associates		888	(564)	-	-
Amortisation of deferred revenue	27	(227)	(308)	(188)	(274)
Other provisions		831	(603)	646	(782)
Loss on disposal of property, plant and equipment		(130)	459	-47	5
		<b>390,256</b>	<b>424,416</b>	<b>548,288</b>	<b>177,218</b>
<b>Changes in working capital:</b>					
Change in inventories		(7,842)	(11,997)	(7,816)	3,119
Change in trade and other receivables		14,467	(13,957)	(762)	2,471
Change in trade and other payables		55,015	115,000	27,468	(32,857)
Change in prepayments and other current assets		(27,154)	5,596	(22,699)	(1,704)
Change in other current liabilities		(13,583)	(5,534)	(18,272)	(7,605)
		<b>426,649</b>	<b>363,004</b>	<b>179,324</b>	<b>243,870</b>
Receipt from customers for finance lease trucks		3,507	3,507	4,067	3,507
Income tax paid	14.2	(4,821)	(11,183)	(3,887)	(10,281)
Net cash generated from operating activities		<b>425,115</b>	<b>375,348</b>	<b>221,484</b>	<b>337,189</b>
<b>Cash flows from investing activities</b>					
Interest received		6,460	9,974	2,912	6,475
Acquisition of intangible assets	18	(256)	(796)	143	(27)
Increase/(decrease) in receivables from subsidiaries		-	-	(18,698)	(39,879)
Acquisition of investment		-	-	-	81
Acquisition of property, plant and equipment		(177,042)	(131,045)	(65,982)	(61,710)
Additions to property, plant and equipment	15	(174,902)	(50,023)	(83,020)	(42,143)
Change in non-current prepayment		10,500	(17,301)	(5,892)	1,888
Net suppliers' credit repaid		(12,603)	(20,112)	(242)	(21,171)
Net cash used in investing activities		<b>(179,892)</b>	<b>(121,867)</b>	<b>(124,219)</b>	<b>(94,146)</b>
<b>Cashflows from Financing activities</b>					
Interest paid		(34,542)	(43,702)	(17,460)	(27,460)
Lease payment		967	-	1,188	-
Dividends paid		(272,785)	(178,525)	(372,640)	(178,825)
Loans obtained		900,993	213,052	802,878	197,717
Loans repaid		(388,443)	(247,355)	(174,679)	(227,634)
Net cash used in financing activities		<b>(293,194)</b>	<b>(257,654)</b>	<b>(362,423)</b>	<b>(236,328)</b>
(Decrease)/increase in cash and cash equivalents		(38,181)	(3,073)	(83,158)	6,012
Effects of exchange rate changes		(7,164)	644	-	-
Cash and cash equivalents at beginning of year		150,026	161,755	188,888	182,485
Cash and cash equivalents at end of year	32.1	<b>112,091</b>	<b>158,026</b>	<b>105,730</b>	<b>188,497</b>

The accompanying notes on pages 18 to 75 and other related disclosures on pages 77 to 79 form an integral part of these consolidated and separate financial statements.

**DANGOTE CEMENT PLC**  
**STATEMENT OF VALUE ADDED**  
**OTHER NATIONAL DISCLOSURE**

	Group				Company			
	2019 N/million	%	2018 N/million	%	2019 N/million	%	2018 N/million	%
Sales	591,073		587,213		590,247		575,301	
Finance income	7,610		11,523		47,388		78,778	
Other income	2,955		10,223		1,247		3,753	
<b>Brought-in materials and services:</b>								
- Imported	(149,226)		(170,611)		(65,110)		(75,560)	
- Local	(304,685)		(279,959)		(142,322)		(123,989)	
<b>Value added</b>	<b>469,195</b>	<b>100</b>	<b>394,986</b>	<b>100</b>	<b>431,629</b>	<b>100</b>	<b>499,218</b>	<b>100</b>
<b>Applied as follows:</b>								
<b>To pay employees:</b>								
Salaries, wages and other benefits	53,764	14	57,261	12	35,312	9	32,814	7
<b>To pay Government:</b>								
Current taxation	40,079	10	(43,481)	-9	44,428	10	144,899	19
Deferred taxation	3,670	1	146,110	39	(1,642)	-	(64,345)	-8
<b>To pay providers of capital:</b>								
Finance charges	57,073	12	49,770	10	26,077	6	22,605	5
<b>To provide for maintenance of fixed assets:</b>								
- Depreciation	34,590	30	65,578	19	53,452	12	31,793	10
- Amortisation	567	-	625	-	22	-	58	-
<b>Retained in the Group:</b>								
- Non controlling interest	(44)	-	1,342	-	-	-	-	-
- Profit and loss reserve	309,035	42	308,952	77	295,349	50	415,436	80
<b>469,195</b>	<b>100</b>	<b>394,986</b>	<b>100</b>	<b>431,629</b>	<b>100</b>	<b>499,218</b>	<b>100</b>	

Value added represents the additional wealth which the Group and company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance, and that retained for future creation of more wealth.

## APPENDIX I: MANAGEMENT DISCUSSION AND ANALYSIS



### Audited results for the year ended 31<sup>st</sup> December 2019

**Growth in Pan-African volumes, with Tanzania volumes up 94%**

**Nigerian volumes flat despite low domestic market growth and border closure impact on cement export**

**Proposed dividend of ₦16.00 per share**

**Lagos, 26<sup>th</sup> February 2020:** Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces audited results for the financial year ended 31<sup>st</sup> December 2019.

#### Financial highlights

- Group revenue down 1.1% to ₦891.7B
- Group EBITDA down 9.2% to ₦395.4B; 44.3% margin
- Earnings per share (net of 2018 tax credit) down 21.3% to ₦11.79
- Dividend remained flat at ₦16.00 per share
- Net debt of ₦227.5B; net debt/EBITDA of 0.58x

#### Operating highlights

- Group sales volumes up by 0.1%
- Nigerian volumes flat at 14.1Mt despite export volume reduction due to border closure
- Nigerian market share maintained in the mid-60s
- Pan-African volumes up and reaching 9.4Mt
- Commenced usage of temporary gas power plant in Tanzania

#### Capital Structure

- Shareholders have approved share buyback programme
- The registration process to deploy this programme in 2020 is ongoing and is dependent on various regulatory approvals

**Joe Makoju, Group Chief Executive Officer, said:**

*"Dangote Cement maintained strong financial performance despite a low growth environment, pricing pressure and increasing competition in key markets.*

*The Nigerian operations maintained volume and revenue performance in a challenging environment. Export sales were affected by the border closure in the second half of 2019. Looking ahead, I expect an increase in volumes in 2020 as we commence clinker exports via shipping from Nigeria.*

*Pan-Africa volumes were slightly up notably supported by Tanzania and Senegal. I am glad to report that Tanzania contributed positively at EBITDA level. In 2020, I believe Dangote Cement will see an increase in profitability in Pan-Africa driven by higher volumes and further efficiency improvements.*

*As I retire from Dangote Cement, I am proud to have watched it grow from a local producer back in 2007 to a major force in global cement production. Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into an exporter of cement serving neighbouring countries. I wish Mr Michel Puchercos all the best as the new Group Chief Executive Officer of Dangote Cement."*

### Summary operating review

Volumes sold	FY 2019 '000 tonnes	FY 2018 '000 tonnes	% change
Nigeria	14,119	14,178	(0.4%)
Pan-Africa	9,447	9,370	0.8%
Inter-company sales		(13)	
<b>Total cement</b>	<b>23,566</b>	<b>23,535</b>	<b>0.1%</b>
Pan-Africa clinker	116	11	954%
<b>Total clinker</b>	<b>116</b>	<b>11</b>	<b>954%</b>
<b>Regional revenues</b>	<b>Nm</b>	<b>Nm</b>	
Nigeria	610,247	618,301	(1.3%)
Pan-Africa	282,710	283,262	(0.2%)
Inter-company sales	(1,286)	(350)	
<b>Total revenues</b>	<b>891,671</b>	<b>901,213</b>	<b>(1.1%)</b>
<b>EBITDA</b>	<b>Nm</b>	<b>Nm</b>	
Nigeria	361,204	397,377	(9.1%)
Pan-Africa	47,858	49,062	(2.5%)
Central costs & eliminations	(13,635)	(11,178)	
<b>Total EBITDA</b>	<b>395,427</b>	<b>435,261</b>	<b>(9.2%)</b>
<b>EBITDA margins*</b>			
Nigeria	59.2%	64.3%	(5.1pp)
Pan-Africa	16.9%	17.3%	(0.4pp)
<b>Group</b>	<b>44.3%</b>	<b>48.3%</b>	<b>(4.0pp)</b>
<b>Group profit before tax</b>	<b>Nm</b>	<b>Nm</b>	
	<b>250,479</b>	<b>300,806</b>	<b>(16.7%)</b>
<b>Earnings per share**</b>	<b>N</b>	<b>N</b>	
	<b>11.79</b>	<b>14.98</b>	<b>(21.3%)</b>

\* Excluding central costs / eliminations

\*\* Net of 2018 tax credit of N133.7bn

## **Nigerian operations**

Nigeria's economy has remained subdued throughout 2019, with an average growth of 2.3% in the full year when compared to the previous year. The International Monetary Fund (IMF) estimates that the Nigerian economy will grow by 2.5% in 2020.

Nigeria's cement market grew slightly in 2019. We estimate that total market consumption was up between 2%-3% on the 20.7Mt estimated in 2018. The market was impacted negatively by the disruptions related to the 2019 election cycles, heavy rains and the loss in export volumes due to the border closure.

Dangote Cement's Nigerian operations remained flat at 14.1Mt in 2019, including export sales of 0.45Mt. Domestic sales in Nigeria were nearly 13.7Mt, compared to 13.4Mt in 2018. This implies a 2% growth mirroring the estimated GDP growth for the year. However, exports dropped by 41% for the full year owing to the border closure in the last few months of 2019.

Revenues for the Nigerian operations decreased by 1.3% to ₦610.2B, due to the higher level of discounting in key markets. The "Bag of Goodies" promotion, launched in July, drove strong increases in our Nigerian volumes in the third quarter. This innovative marketing effort enabled us to maintain our market share despite the 4.5Mt new capacity which came into the market during the year. We recorded an EBITDA of ₦361.2 at a margin of 59.2% excluding central costs and eliminations (2018: ₦397.4, 64.3%). The decrease in EBITDA was mainly due to higher level of discounts, additional marketing expenses and increase in haulage costs. We took control of the delivery of more volumes directly to our customers in order to improve our last mile efficiency and reach untapped markets.

In dollar terms, ex-factory cement prices averaged \$112/t for the FY 2019.

## **Outlook**

Despite the subdued economic growth estimated for 2020, the cement market is expected to show growth. This is due to the government's drive to increase revenues and focus on increasing infrastructure spending.

Exports are expected to increase in 2020 as Dangote Cement will commence exporting clinker from the Apapa and Onne ports to West and Central Africa.

## **Pan-African operations**

Pan-African operations sold 9.44Mt of cement in 2019, up 0.8% on the 9.37Mt sold in 2018. The total Pan-African volume represents 40.1% of Group volumes.

Pan-African revenues of ₦282.7B were 0.2% lower than FY 2018 and represented 31.7% of total Group revenues. The region's EBITDA contribution of ₦47.9B (before central costs and eliminations), represented 12.1% of Group EBITDA, at a regional margin of 16.9%, compared to a margin of 17.3% in 2018. The lower profitability was mainly attributable to depressed economic conditions in South Africa and Zambia. Technical issues challenged the performance of our Ethiopian operations. That said, stronger performance was recorded in Tanzania, Senegal and Sierra Leone.

Looking ahead, we expect to further deploy our clinker and cement export strategy across West and Central Africa. The completion of our 1.5Mt grinding plant in Cote d'Ivoire is expected by the end of 2020.

## **Cameroon**

Cameroon's economy is expected to have achieved 3.8% growth in 2019. The resumption of stadiums, roads, hotels, and other construction projects for the preparation of 2021 African Cup of Nations is expected to support demand.

We faced a decrease in volumes against security challenges in the North West and South West region of the country as well as new competitor capacity. Overall, volumes dropped by 6.5% in 2019 versus 2018 owing to strengthened competition in key markets.

Sales volumes came in at 1.1Mt and we estimate our market share to have been 39% in FY19. In dollar terms, ex-factory cement prices averaged \$108/t for the FY 2019.

### **Congo**

The cement sector has suffered from economic crisis faced by the country since 2016. Public construction work has slowed down significantly, and market demand remains muted.

Our 1.5Mta integrated plant in Mfila, Republic of Congo sold 243Kt of cement for the full year 2019, up 11.5% compared to the full year 2018. Our market share for the fourth quarter came in at 33%.

In dollar terms, ex-factory cement prices averaged \$79/t for the FY 2019.

In the absence of major infrastructure projects, the cement market was mostly driven by commercial building and private infrastructure projects in 2019. Clinker exports started in 2019.

### **Ethiopia**

The overall market size increased marginally by 1% in the year due to a slowdown in the economic activities arising from the ongoing acute foreign exchange shortages, low government expenditure, liquidity crunch by the banks and security concerns. The market remains predominantly retail as spending on most major projects has reduced.

Sales at our 2.5Mta factory in Mughher, Ethiopia, were 2.0Mt in the full year 2019, with a market share of about 25.8%. Our performance in Ethiopia was affected by the shortages of limestone due to technical challenges and power rationing. Our market share declined from 27.0% to 25.8% mainly due to these production challenges.

In dollar terms, ex-factory cement prices averaged \$72/t for the FY 2019.

### **Ghana**

Dangote Cement Ghana sold over 500Kt of cement for the full year 2019, down 34% compared to the full year 2018 owing to strategic intent to focus on profitable markets. Our market share for the fourth quarter came in at 6%.

In dollar terms, ex-factory cement prices averaged \$98/t for the FY 2019.

### **Senegal**

Senegal continues to be one of our best performing markets, where we sell everything we produce. The market continues to grow supported by a growing middle class and the decentralisation initiative taken by the government enabling several new cities and zones to be built.

Sales from our 1.5Mta plant in Pout increased by 8.4% to more than 1.4Mt in the full year 2019, with the plant's output continuing to exceed its rated capacity. Our market share improved to 23% in 2019 from 19% in 2018.

In dollar terms, ex-factory cement prices averaged \$70/t for the FY 2019.

### **Sierra Leone**

Sierra Leone's cement market continues to improve with increased infrastructure spending, more foreign aid being made available and the resumption of building projects in the corporate sector. Major infrastructure projects include road, high-way and bridge construction work. The government has removed import duties on bagged cement in order to support increased building activity.

Sierra Leone is a small market for cement, consuming about 0.7Mt. Our market share increased to 35% in 2019 while our volumes increased significantly by 116% to 236kMt owing to a significant ramp up in our plant.

In dollar terms, ex-factory cement prices averaged \$92/t for the FY 2019.

### **South Africa**

The subdued state of South Africa's cement market reflects the country's economy, which is estimated to have grown by less than 1% in 2019. Lower spending in large scale infrastructure projects and depressed demand for new residential construction led to a low growth cement market.

The annual sales volume decreased by 9.4% y-o-y mainly due to low demand and increased competition from importers & blenders.

The newly introduced Falcon brand supported volumes in highly contested markets during the second half of the year.

The South African government introduced a carbon tax on 1st June 2019 for all manufacturing industries. Based upon our carbon emissions from cement production, we expect to pay approximately ZAR40 million per annum.

Prices decreased 3% in the full year 2019 as compared to 2018.

### **Tanzania**

Tanzania's robust economy has driven growth in infrastructure and housing, with major government projects including roads, railways and airports.

Tanzania contributed positively at EBITDA level. Our plant was stable for the full year after a shut down for five months in 2018. As a result, our volumes (including clinker) was up 94% to 1.2Mt. Our clinker sales also ramped-up in 2019. Cash cost reduced significantly owing to the use of the temporary gas turbines in 2019. We expect our cash cost to further improve once our gas power plant is completed.

In dollar terms, ex-factory cement prices averaged \$72/t for the FY 2019.

### **Zambia**

Zambia's real GDP growth slowed to an estimated 2% in 2019, down from 4.0% in 2018. The main driver in Zambia is the public investment expenditure programme that have pushed the cement demand. The government have started significant projects such as the international airports of Lusaka and Ndola, dams and road infrastructures.

The Ndola factory sold just over 975kt of cement in 2019, down 5.6% on the 1,033kt sold in the same period last year. We are deploying alternative fuel usage in Zambia which will support the overall profitability of our operations going forward.

In dollar terms, ex-factory cement prices averaged \$70/t for the FY 2019.

### **Capital structure**

Dangote Cement's shareholders have expressed full support to the Board and management in executing a share buyback. The process is ongoing and is dependent on various regulatory approvals. The proposed programme is being undertaken in line with the company's corporate strategy to make the company more attractive in the near-term and positioning the company for future long-term growth.

## Financial review

### Summary

Year ended 31 <sup>st</sup> December	2019	2018
Volume of cement sold	'000 tonnes	'000 tonnes
Nigeria	14,119	14,178
Pan-Africa	9,447	9,370
Inter-company sales	-	(13)
<b>Total cement sold</b>	<b>23,566</b>	<b>23,535</b>

	2019	2018
Revenues	Nm	Nm
Nigeria	610,247	618,301
Pan-Africa	282,710	283,262
Inter-company sales	(1,286)	(350)
<b>Total revenues</b>	<b>891,671</b>	<b>901,213</b>
<b>Group EBITDA*</b>	<b>395,427</b>	<b>435,261</b>
EBITDA margin	<b>44.3%</b>	<b>48.3%</b>
Operating profit	299,893	338,698
Profit before tax	250,479	300,806
<b>Earnings per ordinary share (Naira)</b>	<b>11.79</b>	<b>22.83</b>
	<b>As at</b>	<b>As at</b>
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>Nm</b>	<b>Nm</b>
Total assets	1,741,351	1,694,463
Net debt	227,531	168,405

\*Earnings before interest, taxes, depreciation and amortisation

Revenue decreased slightly by 1.1% from ₦901.2B to ₦891.7B, driven by reduced average net prices for both Nigeria and Pan-Africa. Net revenue per tonne in Nigeria amounted to ₦43,221 in 2019 as compared to ₦43,610 in 2018 representing a decrease of 0.9%.

Cement volumes sold by our core Nigerian operations remained broadly constant at 14.12Mt (2018: 14.18Mt) with increased local sales due to promotion activities being offset by the decline in exports due to the border closure. Sales to domestic customers in Nigeria increased by 1.9% from 13.41Mt to 13.67Mt with the remaining 0.45Mt being exported representing a decrease of 41% in export volumes.

Full year Pan-African volumes increased by 0.8% from 9.37Mt to 9.45Mt.

### Manufacturing and operating costs

Year ended 31 <sup>st</sup> December	2019	2018
	Nm	Nm
Materials consumed	117,239	122,581
Fuel & power consumed	122,851	133,528
Royalties	1,817	1,134
Salaries and related staff costs	32,955	31,557
Depreciation & amortization	65,254	64,544
Plant maintenance costs	28,766	29,562
Other production expenses	7,750	9,199
(Increase)/decrease in finished goods and work in progress	3,357	(8,794)
<b>Total manufacturing costs</b>	<b>379,989</b>	<b>383,311</b>

In general, manufacturing costs decreased as a result of reduced volumes in Ghana, South Africa and Cameroon. This was partially offset by the increase in Nigeria manufacturing costs from ₦170.3B to ₦181.0B (mainly due to general inflation and foreign exchange impacts on USD denominated expenses) and increased production costs in Tanzania, Congo and Sierra Leone driven by volumes increase. Pan Africa manufacturing costs decreased by 6.6% from ₦213.3B to ₦199.0B.

Consequently, the total Group manufacturing costs decreased by 0.9%.

#### Administration and selling expenses

Year ended 31 <sup>st</sup> December	2019 Nm	2018 Nm
<b>Administration and selling costs</b>	214,769	189,426

Total selling and administration expenses rose by 13.4% to ₦214.8B, mostly as a result of higher sales distribution costs in Nigeria and Pan Africa. Although the total volumes sold in Nigeria remained flat, the proportion delivered by our trucks increased resulting in increased haulage costs. Haulage costs in Nigeria increased from ₦56.7B to ₦70.7B.

The trend was the same in Pan-Africa as we delivered a higher proportion of the sales volume as compared to 2018 resulting in the Pan Africa haulage costs increasing from ₦31.3B to ₦36.5B.

In addition, various promotion schemes were deployed in Nigeria which drove the increase in advertising and promotion costs.

#### Profitability

Year ended 31 <sup>st</sup> December	2019 Nm	2018 Nm
EBITDA	395,427	435,261
Depreciation, amortization & impairment	(95,534)	(96,563)
<b>Operating profit</b>	<b>299,893</b>	<b>338,698</b>
<b>EBITDA by operating region</b>		
Nigeria	361,204	397,377
Pan-Africa	47,858	49,062
Central administrations costs and inter-company sales	(13,635)	(11,178)
<b>Total EBITDA</b>	<b>395,427</b>	<b>435,261</b>

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year decreased by 9.2% to ₦395.4B at a margin of 44.3% (2018: ₦435.3B, 48.3%) as a result of the reduced net prices in Nigeria and the increase in selling and distribution costs both in Nigeria and Pan Africa.

Excluding eliminations and central costs, EBITDA decreased by 9.1% in Nigeria, to ₦361.2B at a margin of 59.2% (2018: ₦397.4B, 64.3%).

Pan-African EBITDA decreased by 2.5% to ₦47.9B, at 16.9% margin (2018: 17.3%), driven by lower volumes in South Africa, Ethiopia & Zambia.

Operating profit of ₦299.9B was 11.5% lower than the ₦338.7B for 2018 at a margin of 33.6% (2018: 37.6%) driven by higher discounts in key markets and distribution costs.

### Interest and similar income/expense

Year ended 31 <sup>st</sup> December	2019 Nm	2018 Nm
Interest income	7,610	11,323
Exchange loss	(13,481)	(8,112)
Interest expense	(44,192)	(41,666)
<b>Net finance income / (cost)</b>	<b>(50,063)</b>	<b>(38,455)</b>

Interest income decreased by 32.8%, mainly as a result of reduced interest earning cash balances in Nigeria.

During the year to December 2019, the Nigerian Naira was devalued from about ₦359/1US\$ to ₦365/1US\$. The devaluation resulted in net exchange gains from inter-Group assets and liabilities that do not eliminate in full on consolidation in the Nigerian operations. This exchange gain was outweighed by the unrealised exchange losses from Pan-Africa operations that use the FCFA, Sierra Leonean Leone and the Ghana Cedi resulting in a net exchange loss.

The effective interest rate on borrowings was 10.87% compared to 10.68% in 2018.

### Taxation

Year ended 31 <sup>st</sup> December	2019 Nm	2018 Nm
Tax (charge)/credit	(49,958)	89,519

Prior to 2018, we made a tax provision on profits earned from Ibese production lines 3 & 4 and Obajana production line 4 on the basis that they were yet to obtain approval for tax holiday under the Pioneer Status Incentive. The approval was obtained in 2018 and the provision of ₦134B was reversed resulting in the tax credit of ₦89.5B for the 2018 financial year.

In 2019 the effective tax rate for Nigerian operations was 17.1% representing a mix of non-taxable income for productions lines still under the Pioneer tax holiday and taxable income for production lines out of Pioneer tax exemption.

The Group's effective tax rate was higher at 19.9%, mainly because of Pan-African subsidiaries making losses that reduced the Group's profit without direct tax benefits for those losses.

The Group's profit for the year was down 48.6% to ₦200.5B (2018: ₦390.3B). As a result, earnings per share decreased by 48.4% to ₦11.79 (2018: ₦22.83).

### Financial position

	31 <sup>st</sup> December 2019 Nm	31 <sup>st</sup> December 2018 Nm
Property, plant and equipment	1,206,749	1,171,864
Other non-current assets	124,203	87,792
Intangible assets	3,663	5,969
<b>Total non-current assets</b>	<b>1,334,615</b>	<b>1,265,625</b>
Current assets	282,833	261,942
Cash and bank balances	123,903	166,896
<b>Total assets</b>	<b>1,741,351</b>	<b>1,694,463</b>
Non-current liabilities	105,341	86,619
Current liabilities	386,639	285,930
Debt	351,434	335,301
<b>Total liabilities</b>	<b>843,414</b>	<b>707,850</b>

Non-current assets increased from to N1,265.6B at the end of 2018 to N1,334.6B at 31st December 2019. This was mainly as a result of additions to Property, Plant & Equipment which were partially offset by depreciation.

Additions to property, plant and equipment were N175.0B, of which N131.6B was spent in Nigeria and N43.3B in Pan Africa operations.

In addition to the acquisition of fixed assets, right of use assets amounting to N12.0B were recognised for the first time following the adoption of IFRS 16. This also contributed to the increase in non-current assets.

There was an increase in advances from customers in Nigeria which resulted in the significant increase in the current liabilities. In addition, payables to contractors also increased.

### Movement in net debt

	Cash Nm	Debt Nm	Net debt Nm
As at 31st December 2018	166,896	(335,301)	(168,405)
Cash from operations before working capital changes	392,258	-	392,258
Change in working capital	34,391	-	34,391
Income tax paid	(4,601)	-	(4,601)
Additions to fixed assets	(174,952)	-	(174,952)
Other investing activities	(220)	-	(220)
Change in non-current prepayments and payables	(2,090)	-	(2,090)
Net interest payments	(28,382)	-	(28,382)
Net loans obtained (repaid)	17,432	(17,432)	-
Dividend paid	(272,785)	-	(272,785)
Other cash and non-cash movements	(4,044)	1,299	(2,745)
<b>As at 31<sup>st</sup> December 2019</b>	<b>123,903</b>	<b>(351,434)</b>	<b>(227,531)</b>

Cash of N392.3B was generated from operations before changes in working capital. After net movement of N34.4B in working capital and tax payments of N4.6B, the net cash flow from operations was N426.1B.

Financing outflows excluding overdrafts of N295.1B (2018: N257.1B) reflected net loans received of N13.5B, interest paid of N34.8B and a dividend payment of N272.8B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) decreased from N159.0B at the end of 2018 to N112.1B at 31st December 2019. With net loans received at N13.5B and decrease in cash balances of N43.0B, net debt increased by N59.1B from N168.4 at the end of 2018 to N227.5B at the end of 2019, giving a net debt to EBITDA ratio of 0.58x, reflecting the continuing strong cash generation achieved by the Group.

### Capital Expenditure by region

	<b>Nigeria Nm</b>	<b>Pan-Africa Nm</b>	<b>Total Nm</b>
Nigeria	131,610	-	131,610
Senegal	-	1,711	1,711
Cameroon	-	1,072	1,072
Congo	-	2,519	2,519
Ghana	-	2,094	2,094
Cote d'Ivoire	-	10,450	10,450
South Africa	-	210	210
Niger	-	455	455
Ethiopia	-	631	631
Tanzania	-	21,488	21,488
Zambia	-	2,464	2,464
Other	-	248	248
<b>Total</b>	<b>131,610</b>	<b>43,342</b>	<b>174,952</b>

Capital expenditure was mainly comprised of the construction of new plants in Nigeria and Pan Africa, acquisition of distribution trucks in Nigeria as well as improvements in our energy efficiency in Tanzania.

### Recommended dividend

On 25th February 2020, the Directors recommended to maintain a dividend of N16.00 per share for approval at the Annual General Meeting

### Going Concern

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

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations. Borrowings are mainly to fund the expansion projects in various African countries.

## APPENDIX J: PROCEDURE FOR APPLICATION AND ALLOTMENT

### 1. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through any of the Issuing Houses/Book Runners.

- 1.1 The Book Build opens on 3 April, 2020 and closes on 15 April, 2020. Orders must be for a minimum of ₦10,000,000 and in integral multiples of ₦1,000 thereafter.
- 1.2 Participation Amount(s) and Bid Coupon Rate(s) (“**Order(s)**”) should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement (the “**Commitment Form**”).
- 1.3 By completing and submitting the Commitment Form, each Applicant hereby agrees that the Order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Applicant.
- 1.4 Applicants may place order for the Bonds at any price within the price range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.5 A corporate Applicant should affix its official seal in the box provided and state its incorporation (RC) number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6 An individual Applicant should sign the declaration and write his/her full name, address and daytime telephone number on the Commitment Form. Joint applicants must all sign the Commitment Form.
- 1.7 Upon the completion and submission of the Commitment Form, the Applicant is deemed to have authorized the Issuer and the Issuing Houses/Book Runners to effect the necessary changes in this Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the final Pricing Supplement with the SEC.
- 1.8 The Commitment Form presents the Applicant with the choice to bid for up to three optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Applicant in the Commitment Form will be treated as optional demands from the Applicant and will not be cumulated.
- 1.9 After determination of the Coupon Rate, the maximum Participation Amount specified by an Applicant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.
- 1.10 The Issuer in consultation with the Book Runners reserves the right not to proceed with the Offer at any time including after the Book Building opening date but before the Allotment Date without assigning any reason thereof, subject to notifying the Commission.

## 2. Payment Instructions

Successful Applicants should ensure that payment of the Participation Amounts is received on the **Completion Meeting Date** via the CBN Real Time Gross Settlement (“**RTGS**”) or NIBSS Electronic Fund Transfer (“**NEFT**”) into the following designated Issue Proceeds Account domiciled with the Receiving Banks:

ACCOUNT NAME	BANK	ACCOUNT NUMBER
DCP PLC Series 1 Bond Issue Proceeds Account	Access Bank PLC	1383836536
DCP PLC Series 1 Bond Issue Proceeds Account	Zenith Bank PLC	1017231465
DCP PLC Series 1 Bond Issue Proceeds Account	Fidelity Bank PLC	5110038759
DCP PLC Series 1 Bond Issue Proceeds Account	First Bank of Nigeria Limited	2035395966
DCP PLC Series 1 Bond Issue Proceeds Account	First City Monument Bank Limited	0129614606
DCP PLC Series 1 Bond Issue Proceeds Account	United Bank for Africa PLC	1022727391
DCP PLC Series 1 Bond Issue Proceeds Account	Stanbic IBTC Bank PLC	0035582273

## 3. Allocation/Allotment

- 3.1 On the date on which the final price (Coupon rate) of the Series 1 Bonds is determined after close of the Book Build (“**Pricing Date**”), the Issuing Houses will analyze the demand of submitted bids and in consultation with the Issuer, finalize the allocations to each Applicant. Allocation Confirmation Notices will be sent to successful Applicants thereafter.
- 3.2 The members of the Board and the Issuing Houses reserve the right to accept or reject any application for not complying with the terms and conditions of the Issue.
- 3.3 Upon clearance of the final Pricing Supplement by the SEC, allotment shall be effected in dematerialized (uncertificated) form. Applicants will receive the Bonds in dematerialized form and are mandatorily required to specify their CSCS Account Number, clearing house number (“**CHN**”), and member code in the spaces provided on the Commitment Form. Allotment of Bonds in dematerialized form shall be effected not later than 15 Business Days from the date of the approval of the Allotment by the SEC.

Applicants must ensure that the name specified in the Commitment Form is exactly the same as the name in which the CSCS Account Number is held. Where the application is submitted in joint names, it should be ensured that the beneficiary’s CSCS Account is also held in the same joint names and are in the same sequence in which they appear in the Commitment Form.

## 4. Bank Account Details

- 4.1 Applicants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.
- 4.2 Applicants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.



- 4.3 Failure to provide correct bank account details could result in delays in credit of such payments or, where applicable, issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, Issuing Houses, Receiving Banks, Trustees and Registrar shall not have any responsibility following posting of cheques/warrants nor will any of these specified parties undertake any liability for the same as the postal authority shall be deemed to be the agent of the Applicant for the purposes of all cheques posted.



**APPENDIX K: COMMITMENT FORM**



**DANGOTE CEMENT PLC** (RC 208767)

**OFFERING BY WAY OF BOOK BUILDING OF ₦100,000,000,000 12.50% SERIES 1 BONDS DUE 2025  
UNDER THE ₦300,000,000,000 DEBT ISSUANCE PROGRAMME**

**LEAD ISSUING HOUSE  
STANBIC IBTC CAPITAL LIMITED**

**JOINT ISSUING HOUSES  
ABSA CAPITAL MARKETS NIGERIA LIMITED, STANDARD CHARTERED CAPITAL AND ADVISORY NIGERIA LIMITED, UNITED CAPITAL PLC,  
CORONATION MERCHANT BANK LIMITED, ECOBANK DEVELOPMENT COMPANY LIMITED, FBNQUEST MERCHANT BANK LIMITED, RAND  
MERCHANT BANK NIGERIA LIMITED, QUANTUM ZENITH CAPITAL & INVESTMENTS LIMITED, VETIVA CAPITAL MANAGEMENT LIMITED,  
FUTUREVIEW FINANCIAL SERVICES LIMITED & FCMB CAPITAL MARKETS LIMITED**

[www.dangotecement.com](http://www.dangotecement.com)

[www.sec.gov.ng](http://www.sec.gov.ng)

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance. By signing this form, you confirm and agree that the Issuing Houses are acting as agents for the Company and no other party, including any investor, in relation to the Offer.

**DECLARATION**

- I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC Rules and Regulations.
- I/We confirm that I/we have read the Pricing Supplement dated 24 April, 2020 and that my/our order is made on the terms set out therein.
- I/We hereby irrevocably undertake and confirm that my/our order for Bonds equivalent to participation amount set out below at the Interest Rate to be discovered through the book building process.
- I/We authorise you to enter my/our name on the register of holders as a holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below.

I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the Bond Issue.

- I/We note that the Issuer and the Issuing House/Bookrunner are entitled in their absolute discretion to accept or reject this order.
- I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement.

I/We confirm that we have conducted all appropriate Know-your-customer identification and verification checks on the subscribers to our fund/investment vehicle, in line with all applicable AML/CFT legislation and regulations.

PLEASE COMPLETE ALL RELEVANT SECTIONS OF THIS FORM USING BLOCK LETTERS WHERE APPLICABLE																			
DATE (DD/MM/YYYY)							CONTROL NO. (FOR REGISTRARS' USE ONLY)												
		/			/	2	0	2	0										
PARTICIPANTS CAN INDICATE UP TO THREE (3) OPTIONAL BID MARGINS AND SPECIFY THE PARTICIPATION AMOUNT APPLICABLE TO EACH BID INTEREST RATE. THESE WILL BE TREATED AS OPTIONAL ORDERS AND <b>WILL NOT BE AGGREGATED</b> . PLEASE TICK <input type="checkbox"/> THE APPLICABLE BOX ON THE RIGHT.																			
	PFA									Investment/Unit Trusts				Trustee/Custodian					
	Fund Managers									HNI				Stockbroker					
	Bank									Private Equity Fund									
	Insurance Company									Staff Scheme									
PARTICIPANT DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) must be stated in the boxes below)																			
<b>ORDER 1</b>																			
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)													BID COUPON RATE						
IN FIGURES	₦																		
IN WORDS																			
<b>ORDER 2</b>																			
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)													BID COUPON RATE						
IN FIGURES	₦	—																	
IN WORDS																			
<b>ORDER 3</b>																			
PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)													BID COUPON RATE						
IN FIGURES	₦																		
IN WORDS																			

PLEASE TURN OVER TO COMPLETE THIS FORM

