



Berger Paints Nigeria Plc

**Consolidated and Separate Financial Statements
For the year ended 31 December, 2025**

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Corporate Information

Board of Directors:	Abi Ayida	-	Chairman
	Adekunle Olowokande	-	Non - Executive Director
	Raj Mangtani (Indian)	-	Non - Executive Director (resigned wef 30 January 2026)
	Ogechi Iheanacho	-	Non - Executive Director
	Erejuwa Gbadebo	-	Independent Non - Executive Director
	Aisha Umar	-	Independent Non - Executive Director
	Alaba Fagun	-	Group Managing Director

Company Secretary/Legal Adviser Olajide Oyewole (DLA Piper Africa, Nigeria)

Registered Office: 102, Oba Akran Avenue,
Ikeja, Industrial Estate
P.M.B. 21052, Ikeja, Lagos.

Contact Details Mobile: +234 810 216 4586
Email: customercare@bergerpaintnig.com
Website: www.bergerpaintsnig.com

Social Media Accounts Facebook: www.facebook.com/BergerPaintsNigeriaPlc
LinkedIn: www.linkedin.com/company/berger-paints-nigeria-x
X (formerly Twitter): <https://www.twitter.com/BergerPaintsnig>
Instagram: <https://www.instagram.com/bergerpaintsnig>
You Tube: [https:// www.youtube.com/@bergerpaintsnig](https://www.youtube.com/@bergerpaintsnig)

Investors Relation Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: www.bergerpaintsnig.com

The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com; or telephone on: +234 7031720067 for any investment related enquiry.

NSE Trading Information

Trading Name:	Berger Paints Nig. Plc. (Berger)
Ticker Symbol:	Berger
Sector:	Industrial Goods
Sub Sector:	Building Materials
Market Classification:	Main Board

Registration Number: RC: 1837

TIN 01335257-0001

FRC Registration Number: FRC/2012/0000000000295

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Registrars: Meristem Registrars Limited
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.
P.O. Box 51585, Falomo, Ikoyi, Lagos
Tel: 8920491, 8920492, 01-2809250-3
Email: info@meristemregistrars.com
Website: www.meristemregistrars.com

Independent Auditor: PKF Professional Services
205A Ikorodu - Road
Obanikoro
Lagos.
Tel: +234 903 000 1351

Bankers:

Access Bank Plc	Keystone Bank Limited
Ecobank Nigeria Limited	Polaris Bank Limited
Fidelity Bank Plc	Union Bank of Nigeria Plc
First Bank of Nigeria Limited	United Bank for Africa Plc
First City Monument Bank Limited	Wema Bank Plc
Guaranty Trust Holding Company Plc	Zenith Bank Plc
Sterling Bank Plc	

BERGER PAINTS NIGERIA PLC

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Shareholding Structure and Free Float Status

Company Name:	Berger Paint Nigeria PLC
Board Listed:	Main Board
year End:	31 December
Reporting Period:	31-Dec-25
Share Price at end of reporting period:	N48 (31 December 2024: N20)

Description	31 December 2025		31 December 2024	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	289,823,447	100.00	289,823,447	100.00
Substantial Shareholdings (5% and above):				
CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63	17,670,573	6.10
HARMONY TRUST & INVT. CO LTD.	20,000,000	6.90	20,000,000	6.90
MIKEADE INVESTMENTS CO.LTD	19,196,095	6.62	16,315,506	5.63
JUREWA INVESTMENTS LTD	17,670,573	6.10	16,315,506	5.63
ALEMAJE AND COMPANY LIMITED	16,315,506	5.63	19,196,095	6.62
Total Substantial Shareholdings	89,497,680	30.88	89,497,680	30.88
Directors Shareholdings (Direct & Indirect, excluding Directors with Substantial Interests)				
MR. ABI AYIDA	625,601	0.22	625,601	0.22
MR. RAJ MANGTANI	-	-	-	-
MR. ADEKUNLE OLUROTIMI OLOWOKANDE	197,965	0.07	197,965	0.07
MRS. OGECHI IHEANACHO	100,000	0.03	100,000	0.03
MRS. EREJUWA GBADEBO	-	-	-	-
MRS. AISHA UMAR	-	-	-	-
MRS. ALABA FAGUN	-	-	-	-
Total Directors' Shareholdings	923,566	0.32	923,566	0.32
FREE FLOAT IN UNITS & PERCENTAGE	199,402,201	68.80	199,402,201	68.80
FREE FLOAT IN VALUE (N)	3,988,044,020		3,988,044,020	

Declaration: Berger Paints PLC with a free float value of N3,988,044,201 (68.80%) as at 31 December, 2025 (31 December 2024: N3,988,044,021(68.80%)) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.


OLAJIDE OYEWOLE & CO. S
Secretaries to the Company

Olajide Oyewole LLP (DLA Piper Africa, Nigeria)
Company Secretary/ Legal Adviser
FRC/2025/COY/772566

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Company Financial Highlights

	Group			Company		
	2025 N'000	2024 N'000	%	2025 N'000	2024 N'000	%
Revenue	12,990,871	10,831,911	20	12,702,378	10,739,502	18
Gross profit	5,720,255	3,843,975	49	5,630,970	3,819,776	47
Operating profit	2,345,148	1,119,274	110	2,295,546	1,123,372	104
Profit before taxation	2,443,094	1,128,806	116	2,393,492	1,132,904	111
Profit for the period	1,570,624	610,862	157	1,523,128	614,960	148
Share capital	144,912	144,912	-	144,912	144,912	-
Total equity	4,993,183	3,828,336	30	4,993,183	3,855,901	29

Data per 50k share

Basic earnings per share (kobo)	542	211	157	526	212	148
Net assets per share (Naira)	17	13	30	17	13	33
Market price per share as at period end (Naira)	48	20	140	48	20	140
Market capitalization as at period end	13,911,525	5,796,469	140	13,911,525	5,796,480	140

Dividend per 50k share in respect of current period result only

Interim Dividend declared (kobo)	40	20
Final Dividend proposed (kobo)	125	100

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

** The Directors approved an interim dividend of 40 kobo during the year (2024: 20 kobo)per share on issue share capital of 289,823,447(2024: 289,823,447) ordinary shares of 50 kobo each to be ratified by shareholders at the next Annual General Meeting. The dividend has since been paid.

*** The Directors proposed a final dividend of 125 kobo (2024: 100 kobo) per share on the issue share capital of 289,823,447 (2024: 289,823,447) ordinary shares of 50 kobo each subject to approval by the shareholders at the Annual General Meeting

BERGER PAINTS NIGERIA PLC

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Directors' Report

The Directors are pleased to present to the distinguished members this Annual Report, together with the Audited Consolidated and Separate Financial Statements and the independent auditor's report for the year ended 31 December 2025. The Directors have considered all the matters brought before them in the financial year under review, and they are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

1. Legal status

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

The Company incorporated a subsidiary, Swift Painting Nigeria Limited, on 9 April 2022.

2. Principal activities

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

3. Operating results

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

	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Revenue	12,990,871	10,831,911	12,702,378	10,739,502
Operating profit	2,345,148	1,119,274	2,295,546	1,123,372
Profit before minimum tax	2,443,094	1,128,806	2,393,492	1,132,904
Profit before income tax	2,443,094	1,128,806	2,393,492	1,132,904
Income tax expenses	(872,471)	(517,944)	(870,364)	(517,944)
Total comprehensive income for the year	1,570,624	610,862	1,523,128	614,960

4. Dividend

The directors are pleased to recommend to shareholders the payment of a final dividend of 125 kobo per share for the 2025 financial year (2024: 100 kobo per share) which amounts to ₦362,279,308.75 (Three Hundred and Sixty Two Million, Two Hundred and Seventy Nine thousand, Three Hundred and Eight Naira, Seventy Five Kobo Only (2024: ₦289,823,447), subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company's Register of members as at the close of business on April 24, 2025. The directors seek ratification by the members for the interim dividend of 40 kobo per share (2024: 20 kobo per share) in the amount of ₦115,929,378.80, approved by the Board and paid during the year

5. Corporate Governance

Whistleblowing

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

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Respect For Law

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

Role in The Larger Society

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

Integrity

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

6. Board of directors

(i) Composition of the Board and Attendance at Meetings

During the year under review, the Company was managed by a Board of seven (7) Directors consisting of two (2) Independent Non-Executive Directors, four (4) Non- Executive Directors (which included the Chairman) and one (1) Executive Director (i.e. the Group Managing Director). The Board met five (4) times in 2025. In compliance with Section 284(2) of the Companies and Allied Matters Act, 2020, the Record of Directors' attendance at Board meetings is exhibited for inspection at the meeting. It is summarised hereunder:

S/N	Name	28-Jan-25	28-Mar-25	22-Jul-25	11-Nov-25	No. (4)
1	Mr. Abi Ayida	P	P	P	P	4
2	Mr. Adekunle Olowokande	P	P	P	P	4
3	Dr. Ogechi Iheanacho	P	P	P	P	4
4	Mr. Raj Mangtani	P	A	P	P	3
5	Mrs. Erejuwa Gbadebo	P	P	P	P	4
6	Dr. Aisha Umar	P	P	P	P	4
7	Mrs. Alaba Fagun	P	P	P	P	4

P - Present A - Apology

(ii) **Board Changes**

Appointment Process - The Board appointment process is guided by an ethical and transparent process in line with best practices and extant regulations. Directors are selected on the basis of skills, expertise and experience, among other considerations. The Board Establishment, Remuneration and Governance Committee is saddled with the responsibility of identifying, considering and recommending potential directors to the Board. Upon confirmation by the Board, they are thereafter presented to the shareholders for approval. During the year under review, Mr. Raj Mangtani and Dr. Ogechi Iheanacho retired by rotation and were re-elected by the Shareholders at the 2025 Annual General Meeting.

Whilst outside the reporting period, Mr. Raj Mangtani retired from the Board in January 2026 after over 23 years of service (wef 30 January, 2026).

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(iii) **Board Training**

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. For the 2025 financial year, the directors attended the following trainings:

- The Board Chair Masterclass: First Among Equals – DCSL Corporate Services Limited.
- Corporate Board, Strategy Designing and Executing Corporate Revitalization – Society for Corporate Governance Nigeria (SCGN).
- AI & Boards' Strategic Decisions in a Digital Economy – Chartered Institute of Directors (CIOD).
- Training Session on the Nigeria Tax Act 2025 – BAO Partners, Tax & Management Consultants.
- AI and Strategic Considerations in a Digital Economy - Intergr8AI Human Technologies Ltd.

(iv) **Directors retiring by rotation**

The Directors retiring by rotation in accordance with the Companies and Allied Matters Act 2020 are Mrs. Erejuwa Gbadebo and Dr. Aisha Umar who, being eligible, offer themselves for re-election.

(v) **Directors' interest in shares as at 31 December 2025**

The interests of each Director in the shares of the Company, as at 31 December 2025, as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, 2020, and disclosed in accordance with the Listing Rules of Nigerian Stock Exchange are as stated below, along with their interests in contracts:

Director	Direct 31 Dec, 25		Direct 31 Dec, 24		Indirect 31 Dec, 25		Indirect 31 Dec, 24		Interest in Contracts	
	625,601	197,965	625,601	197,965	Jurewa Investment Company Limited	17,670,573	Jurewa Investment Company Limited	16,685,111	None	None
Mr. Abi Ayida	625,601	197,965	625,601	197,965	Jurewa Investment Company Limited	17,670,573	Jurewa Investment Company Limited	16,685,111	None	None
Mr. Adekunle Olowokande	100,000	100,000	100,000	100,000					None	None
Dr. Ogechi Iheanacho	Nil	Nil	Nil	Nil					None	None
Mr. Raj Mangtani	Nil	Nil	Nil	Nil					None	None
Mrs. Erejuwa Gbadebo	Nil	Nil	Nil	Nil					None	None
Mrs. Aisha Umar	Nil	Nil	Nil	Nil					None	None
Mrs. Alaba Fagun	Nil	Nil	Nil	Nil					None	None

(vi) **Directors' Responsibilities**

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

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

7. Board committees

In alignment with extant codes of corporate governance, the Board Finance & General-Purpose Committee, Board Establishment, Remuneration & Governance Committee and Board Audit, Strategy & Risk Management Committee were in operation as at 31 December 2025. The Board worked through these Committees, all of which were guided by Charters containing their terms of reference. The terms of reference of the Committees are summarized below, in addition to the record of directors' attendance.

Board Committees – Terms of Reference/Attendance at Meetings

Finance & General Purposes Committee: The responsibilities of the committee are to:

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

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

S/N	Name	17-Jan-25	14-Mar-25	15-Apr-25	11-Jul-25	14-Oct-25	No. (5)
1	Mr. Adekunle Olowokande (Chair)	P	P	P	P	P	5
2	Mr. Raj Mangtani	A	P	P	P	P	4
3	Dr. Aisha Umar	P	P	P	A	P	4
4	Mrs. Alaba Fagun	P	P	P	P	P	5

P - Present A - Apology

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

- 1 Review and recommend to the Board for approval, proposals on recruitment, promotion and employment termination of senior officers on Manager grade and above;
- 2 Consider and make recommendations to the Board for approval of disciplinary action to be carried out against senior officers from Manager grade and above;
- 3 Consider and make recommendations to the Board for approval on the organizational structure, remuneration policy and policies covering the evaluation compensation and provision of benefits to employees and any other human capital issues;

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- 4 Consider and make recommendations to the Board for approval on the Company's policy on Health and Safety at work and any proposed amendments;
- 5 Consider and make recommendations to the Board for approval on the Company's human resource strategies and compensation Policy.
- 6 Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- 7 Assess the effectiveness of the corporate governance framework.
- 8 Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other Committee operational matters.
- 9 Consider and make recommendations to the Board on appointment and re-election of directors (including the CEO).
- 10 Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
- 11 Ensure the Board composition includes at least one-third of the total number of it's Non executive directors as Independent Directors
- 12 Ensure that new directors receive a formal induction program to familiarize them with BPN's business, strategy and operations, enhance the discharge of their fiduciary duties, responsibilities, and understand their powers and potential liabilities.
- 13 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 14 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 15 Review and make recommendations to the Board for approval of the terms and conditions of employment of Company's staff, its staff handbook and any proposed amendment.
- 16 Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO.
- 17 Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.

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

S/N	Name	14-Jan-25	11-Apr-25	9-Jul-25	9-Oct-25	No. (4)
1	Mrs. Erejuwa Gbadebo (Chair)	P	P	P	P	4
2	Dr. Ogechi Iheanacho	P	P	P	P	4
3	Mrs. Aisha Umar	P	P	P	P	4
4	Mr. Raj Mangtani	A	P	P	P	3

P - Present

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

- 1 Review the audited and unaudited accounts of the Company. It is also responsible for overseeing the Company's long-term strategy and risks.
- 2 Consider reports from the Internal Auditor and making recommendations to the Board on the internal control framework.
- 3 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 4 Consider the viability of all major strategic initiatives and investments.
- 5 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 6 Consider the viability of all major strategic initiatives and investments.
- 7 Monitor changes and trends in the business environment.
- 8 Review the adequacy and effectiveness of risk management and controls.

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- 9 Evaluate and Assess the Company's risk management framework, including Management's process for the identification, prevention and reporting of significant risks.
- 10 Review the Company's compliance level with laws and regulatory requirements that may impact the Company's risk profile.
- 11 Review the policy framework and ensure that the appropriate policies are in place.
- 12 To drive engagements with key stakeholders
- 13 Perform such other duties and responsibilities delegated to the Committee by the Board.
- 14 Develop the Company's Corporate Social Responsibility policy.
- 15 Constructively challenge Management's assumptions and contribute to the development of the Group's strategy and performance objectives.
- 16 Understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the Company's strategic thrusts.
- 17 Arrange an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of BPN's businesses in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises.
- 18 Review the resources made available by Management including business plans and financial, operational and human resources required to implement the agreed strategy.
- 19 Critically evaluate and make recommendations to the Board for approval of BPN's business strategy, at least annually.
- 20 Periodically engage Management on informal dialogue and act as a sounding Board on strategic issues.
- 21 Regularly review strategic planning and implementation monitoring process.
- 22 Review and make recommendations to the Board for the approval of the Group's organizational structure and any proposed amendments

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

S/N	Name	21-Jan-25	18-Mar-25	15-Jul-25	16-Oct-25	No. (4)
1	Dr. Ogechi Iheanacho	P	P	P	P	4
2	Mr. Adekunle Olowokande	P	P	P	P	4
3	Mrs. Erejuwa Gbadebo	P	P	P	P	4

P - Present

8. Statutory Audit committee

Within the year under review, the Audit Committee comprised of two non-executive directors and three (3) shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 404 of the Companies and Allied Matters Act (CAMA) 2020, reviewed the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members had direct access to both the Internal Auditors and the External Auditors. The Committee met four (4) times in 2025 as detailed below:

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

S/N	Name	25-Mar-25	18-Jul-25	21-Oct-25	9-Dec-25	No. (4)
1	Mr. Chibuzor Eke (Chairman)	P	P	P	P	4
2	Mrs. Mary Shofolahan	P	P	P	P	4
3	Mr. Taiwo Afinju	P	P	P	P	4
4	Dr. Ogechi Iheanacho	P	P	P	P	4
5	Mr. Adekunle Olowokande	P	P	P	P	4

P - Present A - Apology

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9. Donations and gifts

In compliance with Section 43 (2) of the Companies & Allied Matters Act (CAMA), 2020, the Company did not make any donations to any political party, political association or for any political purpose during the year under review (2024: Nil). Donations made during the year amounted to ₦2,296,595.41 (2024: ₦1,138,740) as shown below:

Beneficiary	Purpose	Amount
Opebi Primary Health Centre, Maternity Ward	Painting of the Maternity Ward	256,439
Heritage Homes	Painting of orphanage homes	535,228
Federal Nigerian Society for the Blind (FNSB)	Painting of the Facility	1,504,928
Total		2,296,595

10. Quality policy and innovation

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

11. Risk management policy

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

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

12. Safety and environment policy

Health & Safety

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

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

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

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Sustainability

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

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

Wellbeing, diversity and other human resource policies

The Company's policy on managing diversity recognises that there are differences among employees and that harnessing these differences create a productive environment in which everyone feels valued, their talents utilised and organisational goals met. We have also created an enabling environment where patterns of thinking are nurtured as a way of developing our employees as agents of change. Berger Paints Nigeria Plc. is committed to providing employment for people with physical challenges who are able to work. As at the end of the year, there was no physically challenged person in the employment of Berger Paints Nigeria Plc (2024: Nil). In the year under review, the Company has also taken steps to comply with the Discrimination Against Persons with Disabilities (Prohibition) Act of 2018 by implementing inclusive measures such as designated parking spots, mobile stair ramps, designated toilet spaces, and ease of door control systems, among others. Moving forward, we are committed to further enhancing our compliance with the Disabilities Act to create a more inclusive workplace environment.

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

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

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

13. Berger Business Partners

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

14. Suppliers

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

- 1 Dow Chemical Company
- 2 EAU Technology
- 3 Industrial Physics
- 4 Kadam Menon Colour Craft
- 5 Oliver + Battle
- 6 Technolab Corporation

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

- | | | | |
|----|--|----|-----------------------------------|
| 1 | Alliance Chemicals | 18 | Kempharm Ltd |
| 2 | Asharami Synergy Plc | 19 | Lexcel Products and Packaging Ltd |
| 3 | Atbaron Nigeria Enterprises | 20 | Melvyn Nickson Nigeria Limited |
| 4 | Avon Crowncaps And Containers Nig. Plc | 21 | Metcem Limited |
| 5 | Brenntag Chemicals Nigeria Ltd | 22 | Metoxide (Nigeria) Ltd |
| 6 | Chanco Impex Ltd | 23 | Multichem Industries Ltd |
| 7 | Chizzy Nigeria Ltd | 24 | Nagode Industries Ltd |
| 8 | Comat Nigeria Ltd. | 25 | Nycil Ltd |
| 9 | Danel Nigeria Ltd. | 26 | Parco Enterprises Nigeria Limited |
| 10 | Deltaridge Resources Ltd | 27 | Rama Industries Ltd |
| 11 | Dlad Holdings Ltd | 28 | Robinson Ventures Ltd. |
| 12 | Eurochemco Chemicals | 29 | Samking Chemicals |
| 13 | Falcon Chemicals Ltd | 30 | SCN Colours |
| 14 | Geeta Plastic Products Nigeria Ltd | 31 | Sunbeth Oil |
| 15 | Glfister Success Ltd | 32 | Trisa Nig. Ltd |
| 16 | Global-Chem | 33 | Vagmine Afri Ltd |
| 17 | GMAS Chemicals Nigeria Ltd | 34 | Wahum Pkg Ltd |
| | | 35 | WTEX Industries (Nigeria) Ltd |

15. Independent auditor

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

16. Compliance with regulatory requirements & Company policies

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

17. Responsibility for Accuracy of Information

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

18. Subsequent Events

Other than as disclosed in Note 32 there were no other significant events that could have had a material effect on the financial statements as at 31 December 2025.

BY ORDER OF THE BOARD


OLAJIDE OYEWOLE & CO.
Secretaries to the Company

Olajide Oyewole LLP (DLA Piper Africa, Nigeria)

Company Secretary & Legal Adviser

FRC/2025/COY/772566

Date: 26 March 2026

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Report of the Audit Committee

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

1. The scope and planning of both the external and internal audit programs for the year ended 31 December, 2025 were adequate in our opinion.
2. The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
3. The systems of internal control were constantly and effectively monitored.
4. Having reviewed the External Auditors' findings and recommendations on Management matters, we are satisfied with Managements' response thereon.

Finally, we acknowledge the cooperation of Management in the conduct of these duties.

The members of the Audit Committee for the 2025 financial year were:

SN Members of the Committee

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

The Company Secretary /Legal Adviser, Olajide Oyewole (DLA Piper Africa, Nigeria) served as the Secretary

Dated: 26 March 2026



Mr. Chibuzor Eke

Chairman, Audit Committee

FRC/2013/PRO/AUDITCOM/002/00000004670

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Abi Ayida
Chairman
FRC/2019/IODN/00000019260
Date: 26 March 2026



Adekunle Olowokande
Director
FRC/2019/IODN/00000019259
Date: 26 March 2026

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements

Further to the provisions of section 405 of the CAMA 2020, we, the Managing Director and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2025 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of Berger Paints Nigeria Plc (the "Company") and its subsidiary (together, "the Group") for the year ended 31 December 2025.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statement misleading, in light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other audited financial information included in the statements present fairly, in all material respects, the financial conditions and results of operation of the Group and Company as of and for, the year ended 31 December 2025.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to us by other officers of the Company during the year ended 31 December, 2025.
- e) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation. including any corrective action with regard to significant deficiencies and material weaknesses.
- f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect the Group and Company's ability to record, process, summarize and report financial data.
 - ii) There is no fraud that involves management or other employees who have significant role in the Group's internal control.



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

Dated: 26 March 2026



Adeleke Adeniyi
Chief Financial Officer
FRC/2019/ICAN/00000019976

Dated: 26 March 2026

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Management's Report on the Effectiveness of Internal Control over Financial Reporting

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

The management of Berger Paints Nigeria Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiary (together "the Group") as of 31 December 2024 using the criteria set forth by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Section 88 - 91 of Investments and Securities Act 2025 (as amended)

As of 31 December, 2025, the management of Berger Paints Nigeria Plc did not identify any material weakness in its assessment of the internal control over financial reporting. As a result, management has concluded that as of 31 December 2025, the Group's internal control over financial reporting was effective.

Berger Paints Nigeria Plc independent auditor, PKF Professional Services who audited the consolidated and separate financial statements included in the Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December, 2025 based on the limited assurance engagement performed by them. PKF Professional Services' limited assurance report appears on pages **18-19 of the Annual Report**.

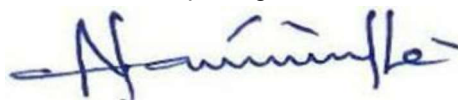
Changes in Internal Control Over Financial Reporting

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



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

Dated: 26 March 2026



Adeleke Adeniyi
Chief Financial Officer
FRC/2019/ICAN/00000019976

Dated: 26 March 2026

BERGER PAINTS NIGERIA PLC

AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

We, Alaba Fagun and Adeniyi Adeleke certify that:

- a) We have reviewed the 2025 Annual Financial Statements of Berger Paints Nigeria Plc ('the Company') and its subsidiary (together "the Group")
- b) Based on our knowledge, the 2025 Annual Financial Statements of Berger Paints Nigeria Plc does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group and the Company as of 31 December 2025, presented in this report;
- d) Berger Paints Nigeria Plc certifying officers:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Berger Paints Nigeria Plc, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the date of the financial statements and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December, 2025 covered by this report based on such evaluation.
- e) Berger Paints Nigeria Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (PKF Professional Services) and the audit committee that:
 - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect Berger Paints Nigeria Plc's ability to record, process, summarize and report financial information; and
 - ii) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) Berger Paints Nigeria Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.



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

Dated: 26 March 2026



Adeleke Adeniyi
Chief Financial Officer
FRC/2019/ICAN/00000019976

Dated: 26 March 2026



PKF Professional Services
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Independent Auditor's Attestation Report on Management's Assessment of Internal Controls over Financial Reporting

To the Shareholders of Berger Paints Nigeria Plc

Attestation

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of Berger Paints Nigeria Plc and its subsidiary ("the Group") as of 31 December 2025, in compliance with the SEC Guidance on Implementation of Section 88-91 of the Investments and Securities Act 2025 (as amended) issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 December 2025 is not effective, in compliance with the SEC Guidance on Implementation of Section 89-91 of the Investments and Securities Act 2025 (as amended) issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of Berger Paints Nigeria Plc ("the Company") as of 31 December 2025, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

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

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

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Internal control procedures over financial reporting in Nigeria.

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

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 88-91 of the investments and securities Act 2025 (as amended) and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.



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

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

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

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

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

Definition of Internal Control over Financial Reporting

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

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

Limitations of Internal Control over Financial Reporting

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

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

Other Information

We have also audited, in accordance with the requirements of International Standards on Auditing, the consolidated and separate financial statements of the Berger Paints Nigeria Plc and our report dated 26 March 2026 expressed an unqualified opinion.

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

Dated: 26 March 2026





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Independent Auditor's Report

To the Shareholders of Berger Paints Nigeria Plc

Opinion

We have audited the consolidated and separate financial statements of **Berger Paints Nigeria Plc and its subsidiary ("the Group")**, which comprise the consolidated statement of financial position at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the Companies and Allied Matters Act, 2020.

Basis for Opinion

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

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

Other Information

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

Our opinion on the 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.

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

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

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

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

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

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

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

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

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

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



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

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

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

Report on other Legal and Regulatory Requirements

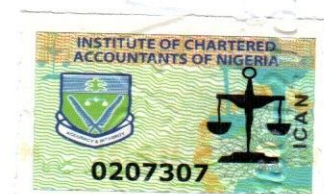
In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- 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 Company and its subsidiary have kept proper books of account, so far as appears from our examination of those books;
- iii) The Consolidated and separate statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirement of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on managements assessment of the Company's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with ISAE 3000 Revised Assurance Engagement Other Than Auditor Reviews of Historical Financial Reporting. We have issued an unmodified conclusion in our report dated **26 March 2026**. The report is included in the annual report.

Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria
Dated: 26 March 2026



BERGER PAINTS NIGERIA PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Assets					
Property, plant and equipment	13.1	2,673,521	2,594,128	2,665,021	2,582,658
Right of Use asset	13.3	251,173	18,402	251,173	18,402
Intangible assets	14	96,783	40,715	96,783	40,715
Investment property	15	309,961	321,211	309,961	321,211
Investment in Subsidiary	27	-	-	20,000	20,000
		<u>3,331,437</u>	<u>2,974,455</u>	<u>3,342,938</u>	<u>2,982,987</u>
Inventories	16	2,753,295	3,302,139	2,753,297	3,302,139
Trade and other receivables	17.1	468,985	426,206	428,514	456,629
Prepayments and advances	18	174,667	134,363	174,667	134,363
Other financial assets	20	1,981,146	446,983	1,981,146	446,983
Cash and cash equivalents	19	357,625	237,189	325,540	211,680
		<u>5,735,718</u>	<u>4,546,881</u>	<u>5,663,164</u>	<u>4,551,795</u>
Total assets		<u>9,067,155</u>	<u>7,521,336</u>	<u>9,006,102</u>	<u>7,534,781</u>
Equity					
Share capital	21.1	144,912	144,912	144,912	144,912
Share premium	21.2	635,074	635,074	635,074	635,074
Retained earnings	21.3	4,213,198	3,048,350	4,193,267	3,075,915
Total equity		<u>4,993,183</u>	<u>3,828,336</u>	<u>4,973,253</u>	<u>3,855,900</u>
Non-current liabilities					
Loans and borrowings	24.1	121,132	219,989	121,132	219,989
Financial derivative	24.2	109,871	-	109,871	-
Deferred income	23.1	39,428	83,772	39,428	83,772
Deferred taxation	11	571,981	539,925	579,759	539,925
		<u>842,411</u>	<u>843,687</u>	<u>850,190</u>	<u>843,687</u>
Current liabilities					
Loans and borrowings	24.3	98,858	117,971	98,858	117,971
Financial derivative	24.4	128,322	-	128,322	-
Current tax liabilities	10.3	793,435	485,792	783,636	485,792
Trade and other payables	22	2,055,475	1,851,509	2,016,373	1,837,389
Deferred income	23.2	26,738	31,285	26,738	31,285
Dividend payable	25	128,732	362,757	128,732	362,757
		<u>3,231,560</u>	<u>2,849,313</u>	<u>3,182,659</u>	<u>2,835,194</u>
Total liabilities		<u>4,073,971</u>	<u>3,693,000</u>	<u>4,032,849</u>	<u>3,678,881</u>
Total equity and liabilities		<u>9,067,155</u>	<u>7,521,336</u>	<u>9,006,102</u>	<u>7,534,781</u>

These consolidated and separate financial statements were approved by the Board of Directors on 26 March 2026 and signed on its behalf by:




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



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

Additionally certified by:



Adeleke Adeniyi (FRC/2019/ICAN/00000019976)
Chief Finance Officer

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

BERGER PAINTS NIGERIA PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Group		Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue	5	12,990,871	10,831,911	12,702,378	10,739,502
Cost of sales	9.2	(7,270,616)	(6,987,936)	(7,071,408)	(6,919,726)
Gross profit		5,720,255	3,843,975	5,630,970	3,819,776
Other income	6	61,731	127,167	59,953	126,807
Selling and distribution expenses	9.2	(713,950)	(689,600)	(713,907)	(688,921)
Administrative expenses	9.2	(2,722,887)	(2,158,490)	(2,681,470)	(2,130,512)
Operating profit before impairment charges		2,345,148	1,123,052	2,295,546	1,127,150
Impairment loss on trade receivable	17	-	(3,778)	-	(3,778)
Operating profit		2,345,148	1,119,274	2,295,546	1,123,372
Finance income	7	181,328	41,611	181,328	41,611
Finance costs	7	(83,382)	(32,079)	(83,382)	(32,079)
Net finance income		97,946	9,532	97,946	9,532
Profit before income tax		2,443,094	1,128,806	2,393,492	1,132,904
Income tax expense	10.1	(872,471)	(517,944)	(870,364)	(517,944)
Profit for the year		1,570,624	610,862	1,523,128	614,960
Other comprehensive income					
Total comprehensive income for the year		1,570,624	610,862	1,523,128	614,960
Earnings per share:					
Basic and diluted earnings per share (kobo)		542	211	526	212

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

BERGER PAINTS NIGERIA PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Group					
Balance at 1 January 2025		144,912	635,074	3,048,350	3,828,336
Comprehensive income for the period					
Profit for the year		-	-	1,570,624	1,570,624
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	1,570,624	1,570,624
Transactions with owners, recorded directly in equity					
Dividend		-	-	(405,776)	(405,776)
Total transactions with owners		-	-	(405,776)	(405,776)
Balance at 31 December, 2025		144,912	635,074	4,213,198	4,993,184
Group					
Balance at 1 January 2024		144,912	635,074	2,727,948	3,507,934
Comprehensive income for the period					
Profit for the year		-	-	610,862	610,862
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	610,862	610,862
Transactions with owners, recorded directly in equity					
Dividend		-	-	(290,460)	(290,460)
Total transactions with owners		-	-	(290,460)	(290,460)
Balance at 31 December, 2024		144,912	635,074	3,048,350	3,828,336
Company					
Balance at 1 January 2025		144,912	635,074	3,075,915	3,855,901
Comprehensive income for the period					
Profit for the year		-	-	1,523,128	1,523,128
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	1,523,128	1,523,128
Transactions with owners, recorded directly in equity					
Dividend		-	-	(405,776)	(405,776)
Total transactions with owners		-	-	(405,776)	(405,776)
Balance at 31 December, 2025		144,912	635,074	4,193,267	4,973,253
Balance at 1 January 2024		144,912	635,074	2,751,415	3,531,401
Comprehensive income for the period					
Profit for the year		-	-	614,960	614,960
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	614,960	614,960
Transactions with owners, recorded directly in equity					
Dividend		-	-	(290,460)	(290,460)
Total transactions with owners		-	-	(290,460)	(290,460)
Balance at 31 December 2024		144,912	635,074	3,075,915	3,855,901

BERGER PAINTS NIGERIA PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Cash flows from operating activities					
Profit for the period		1,570,624	610,862	1,523,128	614,960
Adjustments for:					
- Depreciation	13.1	267,228	230,469	264,464	227,688
-Accum. Dep. transfer from right of use	13.1	164,003	-	164,003	-
- Net transfer of right of use assets	13.3	18,402	-	18,402	-
- Depreciation of investment property	15	21,057	20,304	21,057	20,303
- Amortisation of intangible assets	14.2	15,599	10,877	15,599	10,749
- Amortisation of right of use assets	13.3	22,834	-	22,834	-
- Finance income	7.1	(181,328)	(41,611)	(181,328)	(83,248)
- Impairment write-off on trade receivables	8	-	3,778	-	3,778
- Finance cost	7.1	83,382	32,079	83,382	32,079
- Gain on sale of property, plant and equipment	6	(9,838)	(6,371)	(8,060)	(6,011)
- Taxation	11.1	872,471	517,944	870,364	517,944
		2,844,435	1,378,331	2,793,845	1,338,242
Changes in:					
Increase in inventory	16	548,844	(1,153,955)	548,842	(1,153,864)
Decrease/(increase) in trade and other receivables	17.1	(42,779)	(67,322)	28,115	(84,838)
Decrease in deposit for imports	18	-	46,601	-	46,601
Increase in prepayments and advances	18	(40,304)	(46,464)	(40,304)	(46,464)
Increase/(decrease) in trade and other payables	22	203,966	432,625	178,984	427,603
Increase in dividend payable	25	(234,025)	(19,524)	(234,025)	(19,524)
Decrease in deferred income	23.2	(48,891)	(109,149)	(48,891)	(109,149)
Cash generated from operating activities		3,231,246	461,143	3,226,565	398,607
WHT credit notes utilised	10.3	(50,179)	(129,911)	(50,179)	(129,911)
Tax paid	10.3	(482,507)	(80,394)	(482,507)	(80,394)
Net cash generated from operating activities		2,698,559	250,838	2,693,879	188,303
Cash flows from investing activities					
Purchase of property plant and equipment	13.1	(328,419)	(310,342)	(328,419)	(310,342)
- Transfer from right of use assets	13.3	(182,405)	-	(182,405)	-
Additions to motor vehicles under lease	13.3	(274,007)	(55)	(274,007)	(55)
Additions to investment property	15	(9,807)	-	(9,807)	-
Acquisition of Intangible assets	14	(71,667)	(33,862)	(71,667)	(33,862)
Proceeds from sale of property, plant and equipment		9,838	6,371	8,060	6,011
Acquisition of other financial assets	20	(1,534,049)	(189,861)	(1,534,166)	(189,861)
Finance income	7	181,328	41,611	181,328	83,248
Net cash used in investing activities		(2,209,188)	(486,138)	(2,211,083)	(444,861)
Cash flows from financing activities					
Repayment of borrowings	24.3	(117,970)	(7,258)	120,223	(7,258)
Interest paid	7	(83,382)	(32,079)	(83,382)	(32,079)
Financial Derivatives obtained in the year	24.4	238,192	-	-	-
Dividend paid	23.3	(405,776)	(290,460)	(405,776)	(290,460)
Net cash used in financing activities		(368,935)	(329,797)	(368,935)	(329,797)
Net decrease in cash and cash equivalents					
Cash and cash equivalents at 1 January		237,189	802,286	211,680	798,037
Cash and cash equivalents at 31 December 2025	19	357,625	237,189	325,540	211,680

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Reporting Entity

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

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

2. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2023 (as amended). The audited consolidated and separate financial statements were authorised for issue by the Board of Directors on 26 March, 2026.

(b) Basis of measurement

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

- Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
- Government grant (recognised as deferred income) measured at fair value.
- Inventories: Lower of cost and net realisable value.

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

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

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

Information about critical judgments made in applying accounting policies that have the most significant

effect on the amounts recognised in the financial statements are included in the following notes:

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

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

Note 2(e) and 29.1	determination of fair values
Note 4(G) and 29.(b)	impairment of financial assets: Expected credit loss and forward looking
Note 3 (B) and 10.1	uncertainty over income taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.
Note 4 (F) and 25	determination of cashflows repayments in respect of the investment property development financing arrangement.

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Note 32 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(e) *Measurement of fair values*

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

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

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

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

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

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

3. Changes in significant accounting policies

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

A. IFRS 16 Leases

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

(a) Definition of a lease

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

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(b) As a Lessee

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

Leases classified as finance leases under IAS 17

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

Leases classified as operating leases under IAS 17

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

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

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

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

(c) As a Lessor

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

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

B. IFRIC 23 Uncertainty over Income Tax treatments

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

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant Accounting Policies

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

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A. Foreign currency transactions

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

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

B. Financial instruments

i. Recognition and initial measurement

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

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

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

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

Business model assessment:

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

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

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

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

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

iv) Derecognition and offsetting

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

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

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

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

C. Capital and other reserves

i. Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

ii. Share premium

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

iii. Retained earnings

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

iv. Fair value reserve

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

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D. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

ii. Subsequent cost

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

iii. Derecognition

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

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

iv. Depreciation

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

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

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

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

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

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

E. Intangible assets

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

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

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

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

Internally generated intangible assets

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

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

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

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

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

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F. Investment property

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

- Buildings – 20 years
- Leasehold land – Unlimited

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

iv. Transfers

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

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

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

G. Impairment

Non-derivative financial assets

i. Financial instrument

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

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

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

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

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

ii Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

iii Credit-impaired financial assets

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

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

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

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

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

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v Write off

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

H. Contingent liabilities and contingent assets

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

I. Provisions

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

J. Employee benefits

i. Defined contribution plan

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

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

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

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ii. Short-term employee benefits

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

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iii. Termination benefits

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

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

K. Inventories

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

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

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

L. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

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

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

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b Contract services - supply and apply services contract

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

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

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

(ii) Investment property rental income

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

M. Finance income and finance costs

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

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

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

N. Government grant

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

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

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

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

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O. Taxation

Income tax

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

(a) Current tax

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

(b) Deferred tax

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

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

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

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

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

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

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(c) Minimum tax expense

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

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

P. Earnings per share

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

Q. Leases

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

Policy applicable from 1 January 2019

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

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

i. As a lessee

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

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

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

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

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

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

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

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

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

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

ii. As a lessor

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

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

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

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

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

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

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

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Policy applicable before 1 January 2019

i. Determining whether an arrangement contains a lease

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

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

ii. Leased assets

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

iii. Lease payments

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

R. Statement of cashflows

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

S. Operating Segment

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

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

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

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

T. Dividends

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

U. Prepayments and advances

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

V. Deposit for imports

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

W. Investment in subsidiary

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

X. Related parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

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

Y. Changes in accounting policies and disclosures and Standards Issued

New and amended standards and interpretations

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

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

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

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

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

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
5. Revenue				
5.1 Revenue stream for the period comprises:				
(i) Revenue from contract with customers				
- Sale of paints and allied products*	15,578,005	13,194,029	15,578,005	13,194,029
- Contract services	288,492	122,667	-	30,257
	<u>15,866,497</u>	<u>13,316,696</u>	<u>15,578,005</u>	<u>13,224,286</u>
Revenue from sale of paints and allied products for the year comprises:				
Revenue (net of value added tax)	15,866,497	13,316,696	15,578,005	13,224,286
Discounts and rebates	(2,875,627)	(2,484,785)	(2,875,628)	(2,484,785)
	<u>12,990,871</u>	<u>10,831,911</u>	<u>12,702,378</u>	<u>10,739,502</u>
Nigeria is the Company's primary geographical segment as all sales in the current and prior year were made in the country.				
Contract balances				
The Company's contract balance comprises of trade receivables from contract with customers and is included in trade and other receivables. The balance is analysed as follows:				
Billed receivables in respect of sales of paints and allied products	296,376	183,706	157,107	158,076
Unbilled receivables in respect of contract services	-	83,688	-	83,688
Trade receivables (Note 17.1)	<u>296,377</u>	<u>267,394</u>	<u>157,107</u>	<u>241,764</u>
6. Other income				
Other income comprises:				
Sale of Scrap	12,295	34,242	12,295	34,242
Income on property leases (Note 6.1)	25,399	21,592	25,399	21,592
Container deposit refund	1,900	-	1,900	-
Profit from disposal of property, plant and equipment	9,838	6,371	8,060	6,011
Insurance claims received	-	15	-	15
Income from fixed deposit	7,000	51,637	7,000	51,637
Sale of raw materials	5,299	13,310	5,299	13,310
	<u>61,731</u>	<u>127,167</u>	<u>59,953</u>	<u>126,807</u>

6.1). This represents income earned from leases of an insignificant portion of the Company's building properties to third parties.

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
7. Finance income and finance cost				
Recognised in profit or loss:				
Interest income on bank deposits	89,052.26	11,966	89,052.26	11,966
Interest income on other financial assets	48,098	-	48,098	-
Foreign currency gain	-	(1,640)	-	(1,640)
Government grant	44,178	31,285	44,178	31,285
Total finance income	<u>181,328</u>	<u>41,611</u>	<u>181,328</u>	<u>41,611</u>
Interest expense on borrowings	<u>(83,382)</u>	<u>(32,079)</u>	<u>(83,382)</u>	<u>(32,079)</u>
Total finance cost	<u>(83,382)</u>	<u>(32,079)</u>	<u>(83,382)</u>	<u>(32,079)</u>
Net finance income recognised in profit or loss	<u>97,946</u>	<u>9,532</u>	<u>97,946</u>	<u>9,532</u>
8. Profit before income tax				
Profit before tax is stated after charging/(crediting):				
Directors' emoluments	151,114	126,028	133,934	110,158
Depreciation	295,524	240,011	292,756	247,992
Amortisation	15,599	10,749	15,599	10,749
Personnel expenses	1,549,039	1,152,492	1,532,923	1,147,216
Auditors' remuneration	20,700	20,700	18,450	18,450
Impairment write-off on trade receivables	-	3,778	-	3,778
Profit from disposal of property, plants and equipment	8,060	6,371	8,060	6,011
9. Expenses				
9.1 Analysis of expenses by nature				
Directors emoluments (Note 9.4)	151,114	126,028	133,934	110,158
Personnel expenses (Note 9.3)	1,549,039	1,152,492	1,532,923	1,147,216
Training expenses	-	10,917	-	10,917
Repairs and maintenance	279,187	212,063	279,187	212,063
Office and corporate expenses	242,677	267,997	242,591	267,997
License and permits	70,989	38,501	70,989	38,501
Utilities	190,312	206,007	190,312	206,007
Insurance	40,741	81,493	40,741	81,493
Travel, transport and accommodation	362,711	309,157	362,037	309,157
Rent, rate and levies	26,357	10,091	26,357	10,091
Subscriptions	4,253	3,969	4,219	3,969
Donations	2,297	1,138	2,297	1,138
Depreciation	311,123	250,760	308,355	247,991
Amortisation	15,599	10,749	15,599	10,749
Printing and stationery	6,800	5,105	6,800	5,105
Professional, Consulting and Legal Fees	217,262	131,513	215,208	129,768
Auditors' remuneration	20,700	20,700	18,450	18,450
Bank charges	12,742	16,033	12,441	15,925
Advertisement and publicity expenses	261,703	233,907	261,703	233,907
Distribution expenses	452,204	455,015	452,204	455,014
Raw materials and consumables	6,274,836	6,268,045	6,274,836	6,199,193
Bad debt	15,601	-	15,601	-
Impairment of Heritage Bank balance	-	1,075	-	1,075
Loss on sale of asset	-	11	-	11
Contract services expenses	199,208	23,261	-	23,261
	<u>10,707,453</u>	<u>9,836,026</u>	<u>10,466,785</u>	<u>9,739,159</u>

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
<i>Summarised as follows:</i>				
9.2 Cost of sales	7,270,616	6,987,936	7,071,408	6,919,726
Selling and distribution expenses	713,950	689,600	713,907	688,921
Administrative expenses	2,722,887	2,158,490	2,681,470	2,130,512
Total cost	10,707,453	9,836,026	10,466,785	9,739,159

b) Depreciation

Depreciation charged for the year comprises:

Depreciation of property, plant and equipment	267,232	230,456	264,464	227,688
Depreciation of Right of use	22,834	-	22,834	-
Depreciation of investment property	21,057	20,304	21,057	20,303
Total depreciation	311,123	250,760	308,355	247,991

9.3. Personnel expenses

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

Salaries, wages and allowances	1,025,223	808,612	1,018,223	805,612
Statutory levies	39,301	35,076	35,301	34,076
Contract staff	90,976	53,469	90,976	53,469
Staff welfare	148,495	98,593	148,495	98,593
Employer contribution to compulsory pension fund scheme	93,980	74,944	89,980	73,944
Other staff expenses	151,065	81,798	149,949	81,523
	1,549,039	1,152,492	1,532,923	1,147,216

9.3.1 Directors emolument

Directors remuneration	140,534	124,725	123,534	109,725
Other directors expense	10,580	1,303	10,400	433
	151,114	126,028	133,934	110,158

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

N	N	Number	Number	Number	Number
1 - 500,000	500,001 - 1,000,000	-	-	-	-
500,001 - 1,000,000	1,000,001 - 1,500,001	-	2	-	2
1,000,001 - 1,500,001	1,500,001 - 2,000,001	2	5	2	5
1,500,001 - 2,000,001	2,000,001 - 3,000,001	4	11	4	11
2,000,001 - 3,000,001	3,000,001 and above	25	43	24	43
		100	75	96	75
		131	136	126	136

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

Production	20	21	20	21
Sales and marketing	39	41	34	41
Finance	7	7	7	7
Human Resource	3	4	3	4
Maintenance	5	6	5	6
Admin/Corporate	18	15	18	15
Logistics & Supply Chain	19	18	19	18
Internal Control	4	4	4	4
Information Technology (IT)/CSR	3	2	3	2
Technical & Quality Assurance	10	11	10	11
Risk Management	3	7	3	7
	131	136	126	136

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company			
	2025	2024	2025	2024		
	N'000	N'000	N'000	N'000		
d) Remuneration (excluding pension contributions and certain benefits) paid to directors of the Company and charged to the profit or loss are as follows:						
Fees paid to non executive directors	151,114	126,028	133,934	110,158		
Salaries	76,380	35,351	76,380	35,351		
	227,494	161,379	210,314	145,509		
The directors remuneration shown above include:						
Chairman	16,500	9,000	15,000	7,500		
Highest paid Director	76,380	35,351	76,380	35,351		
Other directors received emoluments in the following ranges:						
	N	N	Number	Number	Number	Number
250,000 -	1,000,000	-	-	-	-	-
1,000,001 -	2,000,000	-	-	-	-	-
3,000,001 -	10,000,000	4	4	4	4	4
10,000,001 -	16,500,000	1	1	1	1	1
		5	5	5	5	5
10.1 Income tax expenses						
The tax charge for the year has been computed after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprises:						
Current tax expense:						
Company income tax	729,574	215,191	721,784	316,415		
WHT credit notes impaired	-	7,594	-	-		
Nigeria Police Trust Fund Levy (NPTF)	-	40	-	60		
Development levy	110,841	30,295	108,746	41,821		
	840,415	253,120	830,530	358,296		
Overprovision in prior year	-	-	-	(48,978)		
Back duty assessment:						
Company income tax	-	-	-	181,915		
Development levy	-	20,534	-	20,534		
(Credit)/charge for the year	840,415	511,767	830,530	511,767		
Deferred tax expense	32,056	6,177	39,834	6,177		
Income tax expense	872,471	517,944	870,364	517,944		

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
10.2 Reconciliation of effective tax rate:				
Profit for the period	1,570,624	610,862	1,523,128	614,960
Taxation	872,471	517,944	870,364	517,944
Profit before taxation	2,443,094	1,128,806	2,393,492	1,132,904
Income tax using the Company's domestic rate of 30%	732,928	338,642	718,048	339,871
Development levy	110,841	-	108,746	-
Tertiary education tax	-	41,821	-	41,821
Effect of:				
- Nigeria Police Trust Fund (NPTF) levy	-	60	-	60
- Non-deductible expenses	330,303	63,747	329,470	62,914
- Tax exempt income	(4,305)	(2,882)	(4,305)	(2,882)
- Balancing Adjustment	8,060	24,006	8,060	23,608
- Tax incentives	(337,412)	(107,097)	(329,488)	(107,097)
- Overprovision in prior year	-	(48,978)	-	(48,978)
-Deferred tax Expense	32,056	6,177	39,834	6,177
- Back duty Assessment	-	202,449	-	202,449
Tax expense	872,471	517,945	870,364	517,944
10.3 The movement in the tax payable during the year was as follows:				
Current tax assets/(liabilities)				
Balance as at 1 January	485,792	184,330	485,792	184,330
Current period charge	840,415	511,767	830,530	511,767
Minimum tax charge	-	-	-	-
Cash payments	(482,593)	(80,394)	(482,507)	(80,394)
WHT credit notes utilised	(50,179)	(129,911)	(50,179)	(129,911)
Balance as at period end (A)	793,435	485,792	783,636	485,792
WHT credit notes				
Balance as at 1 January	-	-	-	-
Additions	57,757	55,853	57,757	55,853
WHT credit notes utilised	(57,757)	(55,853)	(57,757)	(55,853)
Balance as at period end (B)	-	-	-	-
Total current tax assets/(liabilities) (A+B)	793,435	485,792	783,636	485,792

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Balance at 1 January	Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
11 Deferred taxation					
Group					
31 December 2025					
Property, plant and equipment	601,980	(30,000)	571,980	-	571,980
Allowance on trade receivable	(33,966)	33,966	-	-	-
Provision for gratuity discontinued	(713)	1,847	1,134	-	1,134
Provision for slow moving inventories	(8,713)	7,088	(1,625)	-	(1,625)
Unrealised exchange losses/(gain)	(26,465)	26,957	492	-	492
			-		
Net tax (assets)/ liabilities	<u>532,123</u>	<u>39,858</u>	<u>571,981</u>	-	<u>571,981</u>
Group					
31 December 2024					
Property, plant and equipment	601,980	(63,680)	538,300	-	538,300
Allowance on trade receivable	(33,966)	33,966	-	-	-
Provision for gratuity discontinued	(713)	1,847	-	-	-
Provision for slow moving inventories	(7,088)	7,088	1,134	-	1,134
Unrealised exchange losses/(gain)	(26,465)	26,957	492	-	492
			-		
Net tax (assets)/ liabilities	<u>533,748</u>	<u>6,177</u>	<u>539,925</u>	-	<u>539,925</u>
Company					
31 December 2025					
Property, plant and equipment	601,980	(22,221)	579,759	-	579,759
Allowance on trade receivable	(33,966)	33,966	-	-	-
Provision for gratuity discontinued	(713)	1,847	1,134	-	1,134
Provision for slow moving inventories	(8,713)	7,088	(1,625)	-	(1,625)
Unrealised exchange losses/(gain)	(26,465)	26,957	492	-	492
Net tax (assets)/ liabilities	<u>532,123</u>	<u>47,636</u>	<u>579,759</u>	-	<u>579,759</u>
Company					
31 December 2024					
Property, plant and equipment	601,980	(63,680)	538,300	-	538,300
Allowance on trade receivable	(33,966)	33,966	-	-	-
Provision for gratuity discontinued	(713)	1,847	1,134	-	1,134
Provision for slow moving inventories	(7,088)	7,088	-	-	-
Unrealised exchange losses/(gain)	(26,465)	26,957	492	-	491.89
Net tax (assets)/ liabilities	<u>533,748</u>	<u>6,177</u>	<u>539,925</u>	-	<u>539,925</u>

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

12. Basic and diluted earnings per share

Basic earnings per share of 542 kobo and 526 Kobo (31 December 2024: 211 kobo and 212 kobo) is based on the Group profit and Company profit for the period of ₦1.57 billion and ₦1.52 billion (31 December 2024: ₦610.9 million and ₦615 million) and on 289,823,447 (2024: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period.

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

13. Property Plant and equipment

13.1 Group

The movement on these accounts was as follows:

	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Capital work-in progress N'000	Total N'000
Cost								
Balance at 1 January 2024	390,000	1,313,360	1,629,585	102,676	145,952	181,950	134,153	3,897,676
Adjustment	-	-	-	(2,442)	-	2,442	-	0.00
Additions	-	159,269	-	-	5,943	47,505	97,625	310,342
Reclassification to tangible assets	-	-	124,763	107,015	-	-	(231,778)	-
Disposals/write-off	-	-	(22,851)	(255)	-	-	-	(23,106)
Balance at 31 December 2024	<u>390,000</u>	<u>1,472,629</u>	<u>1,731,497</u>	<u>206,994</u>	<u>151,895</u>	<u>231,897</u>	<u>-</u>	<u>4,184,912</u>
Balance at 1 January 2025	390,000	1,472,629	1,731,497	206,994	151,895	231,897	-	4,184,912
Additions	-	54,742	206,608	45,653	-	21,416	-	328,419
Reclassification to tangible assets	-	-	-	-	182,405	-	-	182,405
Disposals	-	-	(240)	(183)	-	(5,441)	-	(5,864)
Balance at 31 December 2025	<u>390,000</u>	<u>1,527,371</u>	<u>1,937,866</u>	<u>252,464</u>	<u>334,300</u>	<u>247,872</u>	<u>-</u>	<u>4,689,872</u>
Accumulated depreciation								
Balance at 1 January 2024	78,081	499,135	481,414	61,418	124,345	138,977	-	1,383,370
Charge for the year	-	75,105	85,629	25,953	20,067	23,715	-	230,469
Disposals	-	-	(22,851)	(243)	-	-	-	(23,094)
Balance at 31 December 2024	<u>78,081</u>	<u>574,240</u>	<u>544,192</u>	<u>87,128</u>	<u>144,412</u>	<u>162,692</u>	<u>-</u>	<u>1,590,745</u>
Balance at 1 January 2025	78,081	574,240	544,192	87,128	144,412	162,692	-	1,590,745
Charge for the period	-	87,781	105,116	34,789	16,503	23,039	-	267,228
Transfer from right of use	-	-	-	(183)	164,003	-	-	164,003
Disposals	-	-	-	(183)	-	(5,441)	-	(5,624)
Balance at 31 December 2025	<u>78,081</u>	<u>662,021</u>	<u>649,308</u>	<u>121,734</u>	<u>324,918</u>	<u>180,290</u>	<u>-</u>	<u>2,016,352</u>
Carrying amounts								
At 31st December 2025	<u>311,919</u>	<u>865,350</u>	<u>1,288,558</u>	<u>130,730</u>	<u>9,382</u>	<u>67,583</u>	<u>-</u>	<u>2,673,521</u>
At 31 December 2024	<u>311,919</u>	<u>898,389</u>	<u>1,187,305</u>	<u>119,866</u>	<u>7,483</u>	<u>69,205</u>	<u>-</u>	<u>2,594,128</u>

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13.2 COMPANY

The movement on these accounts was as follows:

Cost	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Capital work-in progress N'000	TOTAL N'000
Balance at 1 January 2024		390,000	1,313,360	1,614,540	102,676	137,927	181,067	134,153	3,873,723
Adjustment		-	-	-	(2,442)	-	2,442	-	-
Additions		-	159,269	-	-	5,943	47,505	97,625	310,342
Transfer		-	-	124,763	107,015	-	-	(231,778)	-
Disposals/write-off		-	-	(22,851)	(255)	-	-	-	(23,106)
Balance at 31 December 2024		390,000	1,472,629	1,716,452	206,994	143,870	231,014	-	4,160,959
Balance at 1 January 2025		390,000	1,472,629	1,716,452	206,994	143,870	231,014	-	4,160,959
Additions		-	54,742	206,608	45,653	-	21,416	-	328,419
Transfer from right of use		-	-	-	-	182,405	-	-	182,405
Disposals		-	-	-	(183)	-	(5,441)	-	(5,624)
Balance at 31 December, 2025		390,000	1,527,371	1,923,060	252,464	326,275	246,989	-	4,666,159
Accumulated depreciation									
Balance at 1 January 2024		78,081	498,060	473,762	61,418	123,803	138,580	-	1,373,707
Charge for the year	9(b)	-	75,105	82,861	25,937	20,067	23,715	-	227,688
Disposals		-	-	(22,851)	(243)	-	-	-	(23,094)
Balance at 31 December 2024		78,081	573,165	533,772	87,112	143,870	162,295	-	1,578,301
Balance at 1 January 2025		78,081	573,165	533,772	87,112	143,870	162,295	-	1,578,295
Charge for the period	9(b)	-	87,781	104,002	34,789	15,001	22,892	-	264,464
Transfer from right of use		-	-	-	-	164,003	-	-	164,003
Disposals		-	-	-	(183)	-	(5,441)	-	(5,624)
Balance at 31 December, 2025		78,081	660,946	637,773	121,718	322,874	179,745	-	2,001,138
Carrying amounts									
At 31 December 2025		311,919	866,425	1,285,287	130,746	3,401	67,244	-	2,665,021
At 31st December 2024		311,919	899,464	1,182,680	119,882	-	68,719	-	2,582,658

a) Impairment of property, plant and equipment: No impairment loss was recognised for the period (December 2024: Nil).

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

c) Transfer from right of use: This represents transfers of branded motor vehicles from right of use to motor vehicle property plant and equipment.

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

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

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13.3 Right of Use asset

	Group		Company	
	Motor Vehicles under Lease N'000	Total N'000	Motor Vehicles under Lease N'000	Total N'000
Cost				
Balance at 1 January 2024	182,350	182,350	182,350	182,350
Additions	55	55	55	55
Balance at 31 December 2024	<u>182,405</u>	<u>182,405</u>	<u>182,405</u>	<u>182,405</u>
Balance at 1 January 2025	182,405	182,405	182,405	182,405
Transfer to motor vehicles (PPE)	(182,405)	(182,405)	(182,405)	(182,405)
Additions	274,007	274,007	274,007	274,007
Balance at 31 December 2025	<u>274,007</u>	<u>274,007</u>	<u>274,007</u>	<u>274,007</u>
Accumulated depreciation				
Balance at 1 January 2024	131,699	131,699	131,699	131,699
Charge for the year	32,304	32,304	32,304	32,304
Balance at 31 December 2024	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>
Balance at 1 January 2025	164,003	164,003	164,003	164,003
Transfer to motor vehicles (PPE)	(164,003)	(164,003)	(164,003)	(164,003)
Charge for the period	22,834	22,834	22,834	22,834
Balance at 31 December 2025	<u>22,834</u>	<u>22,834</u>	<u>22,834</u>	<u>22,834</u>
Carrying amounts				
At 31st December 2025	<u><u>251,173</u></u>	<u><u>251,173</u></u>	<u><u>251,173</u></u>	<u><u>251,173</u></u>
At 31 December 2024	<u><u>18,402</u></u>	<u><u>18,402</u></u>	<u><u>18,402</u></u>	<u><u>18,402</u></u>

BERGER PAINTS NIGERIA PLC

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	Computer Software N'000	Total N'000
14. Intangible assets		
14.1 Group		
Cost		
Balance at 1 January 2024	109,600	109,600
Additions	33,862	33,862
Balance at 31 December 2024	<u>143,462</u>	<u>143,462</u>
Balance at 1 January 2025	143,462	143,462
Additions	71,667	71,667
Balance at 31 December 2025	<u>215,129</u>	<u>215,129</u>
Accumulated amortisation		
Balance at 1 January 2024	91,998	91,998
Charge for the year	10,749	10,749
Balance at 31 December 2024	<u>102,747</u>	<u>102,747</u>
Balance at 1 January 2025	102,747	102,747
Charge for the period	15,599	15,599
Balance at 31 December 2025	<u>118,346</u>	<u>118,346</u>
Carrying amounts		
At 31 December 2024	<u>17,602</u>	<u>17,602</u>
At 31 December, 2025	<u>96,783</u>	<u>96,783</u>
14.2 Company		
Cost		
Balance at 1 January 2024	109,600	109,600
Additions	33,862	33,862
Balance at 31 December 2024	<u>143,462</u>	<u>143,462</u>
Balance at 1 January 2025	143,462	143,462
Additions	71,667	71,667
Balance at 31 December 2025	<u>215,129</u>	<u>215,129</u>
Accumulated amortisation		
Balance at 1 January 2024	91,998	91,998
Charge for the year	10,749	10,749
Balance at 31 December 2024	<u>102,747</u>	<u>102,747</u>
Balance at 1 January 2025	102,747	102,747
Charge for the period	15,599	15,599
Balance at 31 December 2025	<u>118,346</u>	<u>118,346</u>
Carrying amounts		
At 31 December 2025	<u>96,783</u>	<u>96,783</u>
At 31 December 2024	<u>40,715</u>	<u>40,715</u>

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

Intangible assets amortisation charged to profit or loss for the period amounts to ₦15.6 million (31 December 2024: ₦10.7 million) and is included as part of administrative expenses.

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
15. Investment property				
The movement on this account was as follows:				
Cost				
Balance at 1 January	604,468	604,468	604,468	604,468
Addition in the year	9,807	-	9,807	-
Balance at 31 December	614,275	604,468	614,275	604,468
Accumulated depreciation				
Balance at 1 January	283,257	262,954	283,257	262,954
Charge for the period	21,057	20,303	21,057	20,303
Balance at 31 December	304,314	283,257	304,314	283,257
Carrying amounts at period ended	309,961	321,211	309,961	321,211

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

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

Rental income generated from investment property recognised during the period was N21.23 million (31 December 2024: N21.6million).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (31 December 2024: Nil).

Depreciation of ~~N~~21 million (31 December 2024: ~~N~~20.4 million) charged on investment property for the period was included in admin expenses.

The fair value of the investment property as at year end is ~~N~~4.21 billion (31 December 2024: ~~N~~3.18 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2014/NIESV/000000000254. The valuation was carried out by Umoru Yakub with FRCN number FRC/2014/PRO/NIESV/014/00000008842. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used. The direct market comparison and depreciated replacement cost method was used in determining the fair value of the investment property.

	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
16. Inventories				
Raw and packaging materials	2,013,749	2,623,978	2,013,751	2,623,978
Finished products	617,561	618,387	617,561	618,387
Product-in-process	575	4,126	575	4,126
Consumable spare parts	121,409	55,648	121,409	55,648
Goods in transit	-	-	-	-
	2,753,295	3,302,139	2,753,297	3,302,139

Inventory to the value of N2.7 billion (2024: N3.3 billion) were carried at net realisable value. Inventory written down during the year was N107 million (2024: N47.7 million).

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
17. Trade and other receivables comprises:				
17.1 Trade and other receivables comprises:				
Trade receivables	296,377	267,394	157,107	241,763
Lease receivable	83,688	83,688	83,688	83,688
Staff debtors	4,857	3,692	4,857	3,692
Deposit with Company registrar	89,796	89,796	89,796	89,796
Contract assets	451	451	451	451
Other receivables	20,004	25,109	20,004	25,109
WHT receivables	79,514	65,534	79,514	65,534
Receivable from related party	-	-	98,800	56,054
Total trade and other receivables	574,686	535,664	534,216	566,087
Impairment allowance	(105,701)	(109,457)	(105,701)	(109,457)
Carrying amount as at period ended	468,985	426,206	428,514	456,629
17.2 The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows:				
Balance at 1 January	109,457	105,679	109,457	105,679
Net impairment loss	-	3,778	-	3,778
Bad debt written off	(3,756)	-	(3,756)	-
Balance at 31 December 2025	105,701	109,457	105,701	109,457
18. Prepayments and advances				
Prepayments and advances comprises:				
Advance payment to suppliers	93,800	109,980	93,800	109,980
Prepaid insurance and others	80,868	24,383	80,868	24,383
	174,667	134,363	174,667	134,363
19. Cash and cash equivalents				
Cash and cash equivalents comprises:				
Cash on hand	125	89	125	89
Balance with banks	357,500	238,176	325,415	212,666
	357,625	238,264	325,540	212,755
Impairment of Heritage bank balance	-	(1,075)	-	(1,075)
Cash and cash equivalents	357,625	237,189	325,540	211,680

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
20. Other financial assets				
As at 31 December 2025, the investment is analysed as stated below:				
Unclaimed dividend invested (Note 20.1)	281,145	289,667	281,145	289,667
Deposit with financial institutions (Note 20.2)	1,700,000	157,316	1,700,000	157,316
Total other financial asset	1,981,146	446,983	1,981,146	446,983
20.1 This represent unclaimed dividend returned by the company's registrar and invested in short term money market instrument as at the end of the period				
20.2. This represent deposit made with financial institutions				
21.1 Ordinary shares				
Issued and fully paid 289,823,447 ordinary shares of 50k each	144,912	144,912	144,912	144,912
21.2 Share premium				
At 31 December 2025	635,074	635,074	635,074	635,074
21.3. Retained earnings				
At 1 January	3,048,350	2,727,948	3,075,915	2,751,415
Transfer from profit/loss	1,570,624	610,862	1,523,128	614,960
Dividend paid	(405,776)	(290,460)	(405,776)	(290,460)
At 31 December	4,213,198	3,048,350	4,193,267	3,075,915
22. Trade and other payables				
Trade and other payables comprises:				
Trade payables	521,150	881,472	528,001	881,472
Customer deposits for paints	666,768	420,390	649,677	418,774
Value Added Tax payable	64,388	21,939	64,280	21,012
Withholding Tax payable	17,412	62,684	16,602	62,232
PAYE payable	89,981	35,707	89,971	35,696
Pension payable (Note 22.1)	11,268	19,799	11,268	19,799
Other non-income taxes	31,973	24,153	31,973	24,153
Accruals	641,606	373,313	613,673	362,199
Other payables	10,929	12,053	10,927	12,053
	2,055,475	1,851,509	2,016,373	1,837,389
22.1 Pension payable				
Balance at 1 January	19,799	17,182	19,799	17,182
Charge for the year	8,059	19,206	8,059	19,206
Remittances	(16,589)	(16,589)	(16,589)	(16,589)
Balance at 31 December	11,268	19,799	11,268	19,799
23. Deferred income				
Deferred income (Note 23.3)	44,028	105,078	44,028	105,078
Deferred project income	-	-	-	-
Lease income received in advance	22,138	9,979	22,138	9,979
Deferred income	66,166	115,057	66,166	115,057

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	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
23.1 Non-current	39,428	83,772	39,428	83,772
23.2 Current	26,738	31,285	26,738	31,285
	66,166	115,057	66,166	115,057

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

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
24. Loans and borrowings				
Bank of Industry	219,990	337,960	219,990	337,960
Analysis of loans and borrowings				
24.1 Non current borrowings	121,132	219,989	121,132	219,989
24.2 Financial derivative- non current portion (Note 25.2.1)	109,871	-	109,871	-
24.3 Current borrowings	98,858	117,971	98,858	117,971
24.4 Financial derivative- current portion (Note 25.2.1)	128,322	-	128,322	-

i) Bank of Industry Loan

The loan was obtained to finance the procurement of plant and machinery for the company's paint manufacturing business. The applicable interest rate is 9% per annum. The loan is repayable over a period of 72 months (including a moratorium of 12 months between October 2023 to September 2025).

ii) The loan was obtained to augment working capital for the procurement of raw material. The applicable interest rate is 12% per annum. The loan is repayable over a period of 36 months (including a moratorium of 12 months including October 2023 to September 2025).

24.2.1 Financial derivative: This represents a loan of ₦274,007,287.50 obtained by the company for the acquisition of a motor vehicle classified as a right-of-use asset. The loan is repayable over a period of 24-months and the applicable interest rate is 28% per annum. As collateral, the company will deposit all spare keys and original document with Financial derivative company.

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
24.3 Movement in loans and borrowings				
Balance, beginning of year	337,960	345,218	337,960	345,218
Repayment of Interest	(201,352)	(39,337)	(201,352)	(39,337)
Interest accrued in profit or loss	83,382	32,079	83,382	32,079
Balance, end of the period	219,990	337,960	219,990	337,960

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

25. Dividends

The following dividends were declared and paid by the Company:

	Per share (kobo)	2025 N'000	Per share (kobo)	2024 N'000
Interim Dividend declared	40	115,929	20	57,965
Dividend Declared	125	362,279	80	231,859

This represents the dividend proposed for the preceding year, but declared in the current period.

Group		Company	
2025 N'000	2024 N'000	2025 N'000	2024 N'000

25.1 Dividend payable

The movement in dividend payable is as follows:

	2025 N'000	2024 N'000	2025 N'000	2024 N'000
At 1 January	362,757	382,281	362,757	382,281
Declared dividend	289,823	289,823	289,823	289,823
Payments	(523,848)	(309,347)	(523,848)	(309,347)
At 31 December	128,732	362,757	128,732	362,757

26. Related Parties

Related parties include the Group's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

A Transactions with key management personnel

Key management personnel compensation comprised the following:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Short-term benefits	280,433	219,524	219,524	219,524
Post employment benefits	-	-	-	-
	280,433	219,524	219,524	219,524

The aggregate value of transactions and outstanding balances related to key management personnel and other related parties were as follows.

Related party	Nature of transaction	Transaction value		Balance Receivable/(Payable)	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Swift Painting Nigeria Limited	Painting services	49,443	95,497	98,800	56,054
		49,443	95,497	98,800	56,054

BERGER PAINTS NIGERIA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

B. Other related party transactions

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2024, the subsidiary remained dormant and had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

27. Information regarding subsidiaries

27.1 Subsidiaries

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

Direct subsidiaries	Principal Activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31-Dec-25
Swift Painting Nigeria Limited	Rendering of professional painting services	Nigeria	100.00%

27.2 Investments in subsidiaries

	2024 N'000	Company	
		2025 N'000	2024 N'000
Swift Painting Nigeria Limited			
Rendering of professional painting services	-	20,000.00	20,000.00
	-	20,000.00	20,000.00

Swift Painting Nigeria Limited

Swift Painting Nigeria Limited was incorporated in 2022 as wholly owned Paints Application subsidiary of Berger Paints Nigeria Plc. The Company started operations on January 1, 2023. The Company's account has been consolidated with that of Berger Paints Nigeria Plc.

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Lewis Berger Ghana Limited

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2025, the subsidiary have remained dormant and had not commenced operations. There is no financial information in the records of the subsidiary and as such, the subsidiary has not been consolidated.

28. Financial instruments – Fair values and financial risk management

28.1 Classification of financial instruments and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. As at 31 December 2025, the Group did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

Group

31 December 2025

Note	Amortized Cost	Fair value			
		Level 1	Level 2	Level 3	Total
<i>Financial assets not measured at fair value</i>					
Other financial assets	1,981,146	-	1,981,146	-	1,981,146
Trade and other receivables	468,985	-	468,985	-	468,985
Cash and cash equivalents	357,625	-	357,625	-	357,625
	2,807,756	-	2,807,756	-	2,807,756
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	219,990	-	219,990	-	219,990
Trade and other payables*	2,055,475	-	2,055,475	-	2,055,475
Dividend payable	128,732	-	128,732	-	128,732
	2,404,197	-	2,404,197	-	2,404,197

Group

31 December 2024

Financial assets measured at fair value

Financial assets not measured at fair value

Other financial assets	257,122	-	257,122	-	257,122
Trade and other receivables	297,129	-	297,129	-	297,129
Cash and cash equivalents	802,287	-	802,287	-	802,287
	1,356,538	-	1,356,538	-	1,356,538

Financial liabilities not measured at fair value

Loans and borrowings	345,218	-	482,334	-	482,334
Trade and other payables*	637,143	-	637,143	-	-
Dividend payable	382,281	-	382,281	-	-
	1,364,642	-	1,501,758	-	482,334

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	Amortized Cost	Fair value			Total
		Level 1	Level 2	Level 3	
Company					
31 December 2025					
<i>Financial assets not measured at fair value</i>					
Other financial assets	1,981,146	-	1,981,146	-	1,981,146
Trade and other receivables	428,514	-	428,514	-	428,514
Cash and cash equivalents	325,540	-	325,540	-	325,540
	<u>2,735,199</u>	-	<u>2,735,199</u>	-	<u>2,735,199</u>
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	219,990	-	293,861	-	293,861
Trade and other payables*	2,016,373	-	2,016,373	-	2,016,373
Dividend payable	128,732	-	128,732	-	128,732
	<u>2,365,095</u>	-	<u>2,438,966</u>	-	<u>2,438,966</u>
Company					
31 December 2024					
<i>Financial assets not measured at fair value</i>					
Other financial assets	446,983	-	446,983	-	446,983
Trade and other receivables	391,095	-	391,095	-	391,095
Cash and cash equivalents	211,680	-	211,680	-	211,680
	<u>1,049,758</u>	-	<u>1,049,758</u>	-	<u>1,049,758</u>
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	337,960	-	293,861	-	293,861
Trade and other payables*	1,837,389	-	1,837,389	-	1,837,389
Dividend payable	362,757	-	362,757	-	362,757
	<u>2,538,106</u>	-	<u>2,494,007</u>	-	<u>2,494,007</u>

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, Pay As You Earn (PAYE) payable, Pension payable and other non-income taxes payables.

The carrying amount of financial instrument such as short term trade and other receivables, other financial asset, cash and cash equivalent, trade and other payables and dividend payable are a reasonable approximation of their fair values due to their short term maturity and the consequent insignificant impact of discounting. Hence, no further fair value information has been disclosed.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

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Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- (i) quoted market prices or dealer quotes for similar instruments;
- (ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Adjustment to level 2 inputs will vary depending on factors specific to the asset or liability such as the location or condition of the asset.

b) Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

i) Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Strategy and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by the Internal Audit Function, outsourced to Bamidele Daramola & Co.

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

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Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Trade and other receivables (See (a) below)	389,020	268,493	249,750	268,213
Cash and cash equivalents (excluding cash at hand) (See (b) below)	357,500	237,100	325,415	237,100
Other financial assets (See (b) below)	1,981,146	446,983	1,981,146	446,983
	2,727,666	952,577	2,556,310	952,296

a) Trade and other receivables

Net trade and lease receivables (See a(i) below)	274,364	241,625	135,093	241,625
Deposit with Company registrar (See a(ii) below)	89,796	-	89,795.65	-
Staff debtors (See a(iii) below)	4,857	1,760.00	4,857.21	3,692.39
Other receivables (See a(iii) below)	20,004	25,109	20,004	22,896
	389,020	268,493	249,750	268,213

(i) Net trade and lease receivables

The Company's exposure to credit risk in respect of trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The Company has pledged no trade receivables during the period.

The Group limits its credit risk from trade receivable by establishing a maximum payment of 30 and 60 days depending on the customer credit rating.

Concentration of risk

At 31 December 2025, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Carrying amount			
	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Wholesale customers	37,083	70,186	37,083	70,186
Retail customers (Home owners)	13	28,594	13	28,594
Others (Corporates)	117,183	161,168	117,183	161,168
Lease receivable	89,804	89,804	89,804	89,804
	244,083	349,752	244,083	349,752

Impairment losses on financial assets recognised in profit or loss were as follows:

- Impairment loss on trade receivable arising from contracts for sale of paints	15,897	21,991	15,897	19,653
- Impairment loss on investment property lease contracts	89,804	89,804	89,804	89,804
	105,701	105,679	105,701	109,457
Net trade and lease receivables	138,382	203,495	138,382	240,295

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Concentration of risk (cont'd)

The Group uses an allowance matrix to measure the expected credit loss (ECL) from trade receivables from sale of paints and rental of investment property. The exposures are calculated separately for each segment based on their common characteristics. Loss rates are calculated based on actual loss experienced over the past three years. These rates adjusted by a scalar factor to reflect differences in economic conditions during the period over which the historical data has been collected and the Group's view of economic conditions over the expected lives of the receivables. The scalar factor is based on forecasted inflation rates and industry outlook.

At 31 December 2025, the ageing of trade receivables was as follows:

	Credit impaired	Weighted average loss	Gross N'000	Impairment N'000	Net N'000
Group					
31 December 2025					
Current (not past due)	No	0%	128,430	-	128,430
Past due 1–30 days	No	0%	34,773	-	34,773
Past due 31–60 days	No	0%	58,540	-	58,540
Over 61 days due	No	0%	74,633	-	74,633
			296,376	0	296,376
Company					
31 December 2025					
Current (not past due)	No	0%	117,397	-	117,397
Past due 1–30 days	No	0%	26,915	-	26,915
Past due 31–60 days	No	0%	7,828	-	7,828
Over 61 days due	No	0%	4,966	-	4,966
			157,106	-	157,106
31 December 2024					
Current (not past due)	No	0%	-	-	-
Past due 1–30 days	No	8%	85,178	-	85,178
Past due 31–60 days	No	12%	110	-	110
Over 61 days due	Yes	0%	33,361	-	33,361
			118,649	-	118,649

At 31 December 2024, the ageing of lease receivables was as follows:

Group					
31 December 2025					
Current (not past due)	No	0%	-	-	-
Over 61 days due	Yes	100%	89,804	(89,804)	-
			89,804	(89,804)	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Credit impaired	Weighted average loss	Gross N'000	Impairment N'000	Net N'000
Company					
31 December 2025					
Current (not past due)	No	0%	-	-	-
Over 61 days due	Yes	100%	89,804	(89,804)	-
			<u>89,804</u>	<u>(89,804)</u>	<u>0</u>
31 December 2024					
Current (not past due)	No	0%	6,116		6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			<u>89,804</u>	<u>(83,688)</u>	<u>-</u>

The Group does not hold collateral on these balances. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Movement in the allowance for impairment in respect of trade receivable during the period was as follows:

	Group		Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Balance as at 1 January	109,458	105,679	109,458	105,679
Bad debt written off	(3,756)	-	(3,756)	-
(Write back)/Impairment loss of receivables	-	3,778	-	3,778
Balance as at 31 December	<u>105,702</u>	<u>109,458</u>	<u>105,702</u>	<u>109,458</u>

(ii) Deposit with Company Registrar

This represents amounts held with the Company registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines. The Company's registrar is Meristem Registrars Limited. The Company has assessed the credit risk as low and the ECL is immaterial.

(iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Group's building properties to third parties and receivables from employees. These receivables are payable on demand and its contractual period is less than 12 months. The Group has assessed the counter parties to have sufficient net liquid assets and are considered to be low credit risk, hence, the expected credit loss is immaterial. Consequently, the Group has not incurred impairment loss in respect of staff debtors and other receivables.

(b) Cash and cash equivalents and other financial asset:

The Group and Company held cash and cash equivalents and other financial asset as at 31 December 2025 amounting to ₦357.6 million and ₦1.9 billion and ₦325.5 million and ₦1.9 billion (2024: ₦237.2 million and ₦446.9 million and ₦211.7million and ₦446.9) respectively which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Group manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposures. The Group considered that its cash and cash equivalent and other financial asset have low credit risk and the assessed ECL is not considered material.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

iii). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December, 2025, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦268 million and ₦242 million (2024: ₦203 million and ₦186 million) respectively. This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Group

31 December 2025

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
31 December 2025							
Loans and borrowings	219,990	219,990	-	98,858	121,132	-	-
Trade and other payables*	2,055,475	2,055,475	2,055,475	-	-	-	-
Dividend payable	128,732	128,732	128,732	-	-	-	-
	2,404,197	2,404,198	2,184,207	98,858	121,132	-	-

Company

31 December 2025

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
Loans and borrowings	219,990	219,990	-	98,858	121,132	-	-
Trade and other payables*	2,016,373	2,016,373	2,016,373	-	-	-	-
Dividend payable	128,732	128,732	128,732	-	-	-	-
Lease liability	-	-	-	-	-	-	-
	2,365,095	2,365,095	2,145,105	98,858	121,132	-	-

Company

31 December 2024

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
<i>In thousands of naira</i>							
Loans and borrowings	337,960	337,960	-	117,971	219,989	-	-
Trade and other payables*	1,837,389	1,837,389	1,837,389	-	-	-	-
Dividend payable	362,757	362,757	362,757	-	-	-	-
	2,538,106	2,538,106	2,200,146	117,971	219,989	-	-

*Trade and other payables excludes statutory deductions such as non-income tax and pension payables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv). Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The functional currency of the Group is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (N), Euro (€), US Dollars (US\$) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. The Group monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

Group	31 December 2025			31 December 2024		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	16,710	490	516	27,829	1,940	356

Company	31 December 2025			31 December 2024		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	16,710	490	516	27,829	1,940	356

The following significant exchange rates were applied:

Group	Average rate during the		Year end spot rate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
<i>Naira</i>				
US\$ 1	1541.00	1541.00	1449.66	1535.82
€ 1			1705.25	1710.00
GBP 1			1955.75	2110.00

Company	Average rate during the year		Year end spot rate	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
<i>Naira</i>				
US\$ 1	1541.00	1541.00	1449.66	1485.00
€ 1			1705.25	1642.71
GBP 1			1955.75	1783.24

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the naira against all other currencies at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

	Profit or loss	
	Strengthening N'000	Weakening N'000
Group and Company		
31 December 2025		
US\$ (20% movement)	1,936	(1,936)
€ (20% movement)	21	(21)
GBP (20% movement)	9	(9)
Company		
31 December 2024		
US\$ (20% movement)	1,936	(1,936)
€ (20% movement)	21	(21)
GBP (20% movement)	9	(9)

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Interest rate risk

The Group and Company adopts a policy of ensuring that all its interest rate risk exposure is at fixed rate. This is achieved by entering into fixed rate instruments.

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the overall duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

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

	Nominal amount	
	2025 N'000	2024 N'000
Group		
Fixed rate instruments		
Financial liabilities:		
Short term borrowings	98,858	117,971
Long term borrowing	121,132	219,989
	<u>219,990</u>	<u>337,960</u>
Company		
Fixed rate instruments		
Financial liabilities:		
Short term borrowings	98,858	117,971
Long term borrowing	121,132	219,989
	<u>219,990</u>	<u>337,960</u>

Fair value sensitivity analysis for fixed rate instruments

The Group and Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and Company does not have any variable rate financial assets and liabilities as at 31 December 2025 (December 2024: Nil).

(c). Capital management

The Group and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. This is done by using a ratio of adjusted net debt to adjusted equity. Adjusted net debt has been defined as total liabilities, comprising loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group and Company's adjusted net debt to equity ratio at 31 December 2025, were as follows.

	2025	2024
	N'000	N'000
Group		
<i>In thousands of naira</i>		
Total liabilities	4,073,971	3,693,000
Less: Cash and Cash equivalents	(357,625)	(237,189)
Adjusted net debt	<u>3,716,346</u>	<u>3,455,811</u>
Total Equity	4,993,183	3,828,336
Net debt to equity ratio	0.74	0.90

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Company	2025 N'000	2024 N'000
Total liabilities	4,032,849	3,678,880
Less: Cash and Cash equivalents	<u>(325,540)</u>	<u>(211,680)</u>
Adjusted net debt	<u>3,707,309</u>	<u>3,467,200</u>
Total Equity	<u>4,973,253</u>	<u>3,855,900</u>
Net debt to equity ratio	0.75	0.90

29. Leases

A. Leases as Lessee (IFRS 16)

The Group and Company leases land which is for a minimum lease term of 99 years. This lease was entered into several years ago and was classified as leasehold land.

As at 31 December 2025, the Group and Company has ongoing lease arrangement for the right to use of motor vehicles, required for the replacement of aged sales field force vehicles and part of administrative/operations use. The lease expires in 2022; however, management has the intention to exercise the purchase option.

Right of use assets related to leased assets are presented as property, plant and equipment (see Note 14(f)). Interest on lease liabilities as well as the repayments of the lease has been included in loans and borrowings (see Note 26(a)).

B. Leases as Lessor

The Group and Company leases out its investment property consisting of its owned commercial properties (see Note 16).

The Group and Company has classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the investment property.

a. Future minimum lease payments

At as 31 December, 2025 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2024 : Nil).

	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Less than one year	-	69,942	-	69,942
Between one and five years	<u>89,804</u>	<u>19,862</u>	<u>89,804</u>	<u>19,862</u>
	<u>89,804</u>	<u>89,804</u>	<u>89,804</u>	<u>89,804</u>

b. Amounts recognised in profit or loss

Investment property lease income recognised for the year is ₦21.23 million (2024 : ₦21.6 million) and was included in 'Other income' (note 6). Depreciation expense on the investment property was included in 'Expenses' (note 9(b)).

30. Provision of Non Audit Services

There is no other services apart form audit services render to the client for the year ended 31 December 2025.

31. Contingencies

There is a pending litigation as at 31 December 2025 arising from the litigation case between Sowerscreed Ventures Limited vs the Company where the Claimant has sued on the breach of the outsourced business partnership agreement between the parties. The contingent liabilities in respect of pending litigation based on response from Solicitors was N100million (2024: N100 million). In the opinion of the Directors and based on the response from the Legal Adviser, no payment will be made in respect of the pending litigation.

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32. Subsequent events

There were no other events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

33. Operating segments

a) Basis of segmentation

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different process and marketing strategies. For each of the strategic business units, the Company's Management Committee review internal management reports on a weekly basis. The following summary describes the operations in each of the Company's reportable segments:

Reportable segments

Paints and allied products

Contract revenue

Investment property rental income

Operations

Manufacturing, distributing and selling of paints and allied products

Rendering of painting services

Investment property rentals

The accounting policies of the reportable segments are described in Notes 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Group and Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

b) Information about reportable segments

Group

Profit or loss

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
	N'000	N'000	N'000	N'000	N'000
31 December 2025					
External revenues	12,990,871	288,492	25,399	-	13,304,762
Finance income	-	-	-	181,328	181,328
Finance costs	-	-	-	(83,382)	(83,382)
Depreciation & amortisation	267,228	-	(21,057)	-	246,171
Writeback/ (Impairment loss) on trade receivables	-	-	-	-	78,351
Reportable segment profit/(loss) before taxation	2,251,523	89,284	4,342	97,946	2,443,094

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b) Information about reportable segments (cont'd)

Company

Profit or loss

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2025					
External revenues	12,702,378	-	25,399	-	12,727,777
Finance income	-	-	-	181,328	181,328
Finance costs	-	-	-	(83,382)	(83,382)
Depreciation & amortisation	264,464	-	(21,057)	-	243,407
Writeback/ (Impairment loss) on trade receivables	-	-	-	-	78,351
Reportable segment profit /(loss) before taxation	2,291,205	-	4,342	97,946	2,393,492
31 December 2024					
External revenues	10,739,502	30,257	21,592	-	10,791,351
Finance income	-	-	-	41,611	41,611
Finance costs	-	-	-	(32,079)	(32,079)
Depreciation & amortisation	227,688	-	(20,304)	-	207,384
Impairment loss on trade receivables	-	-	-	-	-
Reportable segment profit before	1,115,088	6,996	1,288	9,532	1,132,904

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Management Committee) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

Revenues

There are no significant reconciling items between the reportable segment revenue and revenue for the period.

	Group		Company	
	Jul-05 N'000	2024 N'000	17-Jul-05 N'000	2024 N'000
Profit or loss				
Total profit or loss before taxation for reportable segments	2,345,148	1,119,274	2,295,546	1,123,372
Unallocated finance income	181,328	41,611	181,328	41,611
Unallocated finance costs	(83,382)	(32,079)	(83,382)	(32,079)
Profit before taxation	<u>2,443,094</u>	<u>1,128,806</u>	<u>2,393,492</u>	<u>1,132,904</u>

Other material items

There are no significant reconciling items between other material items for the reportable segments and Company total.

Major customer

Revenue from one customer does not represent up to 10% of the Group's total revenue. Therefore, information on major customers is not presented.

BERGER PAINTS NIGERIA PLC

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Other National disclosure

BERGER PAINTS NIGERIA PLC

CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group				Company			
		2025	%	2024	%	2025	%	2024	%
Sales	5	12,990,871		10,831,911		12,702,378		10,739,502	
Finance income	7	181,328		41,611		181,328		41,611	
Other income	6	59,953		126,807		59,953		126,807	
		13,232,151		11,000,329		12,943,659		10,907,919	
Bought in materials and services:									
- Imported		(1,440,000)		(1,440,000)		(1,440,000)		(1,440,000)	
- Local		(7,406,030)		(6,990,719)		(7,213,798)		(6,917,283)	
Value added		4,386,121	100	2,569,610	100	4,289,860	100	2,550,636	100

Distribution of value added

To Employees:

Personnel expenses	10(a)	1,532,923	35	1,147,216	45	1,532,923	36	1,147,216	45
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To Providers of Finance:

Interest on loans	7	83,382	2	32,079	1	83,382	2	32,079	1
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To Government:

Taxation	11(a)	872,471	20	517,944	20	870,364	20	517,944	20
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Retained in the business as:

Depreciation	9(b)	311,123	7	250,760	10	264,464	7	227,688	9
Amortisation	15	15,599	-	10,749	-	15,599	-	10,749	0
To augment reserve		1,570,624	36	610,862	24	1,523,128	36	614,960	24
		4,386,121	100	2,569,610	100	4,289,860	100	2,550,636	100

Value added is wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth.

BERGER PAINTS NIGERIA PLC

FINANCIAL SUMMARY

31 DECEMBER

	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
Fund employed					
Share capital	144,912	144,912	144,912	144,912	144,912
Share premium	635,074	635,074	635,074	635,074	635,074
Retained earnings	<u>4,193,267</u>	<u>3,075,915</u>	<u>2,751,415</u>	<u>2,543,459</u>	<u>2,450,717</u>
Shareholder's fund	4,973,253	3,855,901	3,531,401	3,323,445	3,230,703
Current liabilities	<u>3,182,659</u>	<u>2,835,194</u>	<u>2,056,868</u>	<u>1,690,196</u>	<u>1,439,061</u>
Non current liabilities	<u>850,190</u>	<u>843,684</u>	<u>1,022,701</u>	<u>514,887</u>	<u>440,905</u>
	9,006,102	7,534,779	6,610,970	5,528,528	5,110,669
Asset employed					
Non current assets	<u>3,342,938</u>	<u>2,982,987</u>	<u>2,897,482</u>	<u>2,883,117</u>	<u>3,064,279</u>
Current assets	<u>5,663,164</u>	<u>4,551,795</u>	<u>3,713,488</u>	<u>2,645,411</u>	<u>2,046,390</u>
	9,006,102	7,534,781	6,610,970	5,528,528	5,110,669
Profit or loss account					
Revenue	<u>12,702,378</u>	<u>10,739,502</u>	<u>7,910,181</u>	<u>6,331,634</u>	<u>4,964,796</u>
Profit before tax	<u>2,393,492</u>	<u>799,783</u>	<u>799,783</u>	<u>387,790</u>	<u>190,761</u>
Profit for the year	<u>1,523,128</u>	<u>614,960</u>	<u>468,797</u>	<u>208,670</u>	<u>135,635</u>
Dividend declared	<u>-</u>	<u>231,859</u>	<u>260,841</u>	<u>115,929</u>	<u>115,929</u>
Basic earnings per share - (N)	526	212	162	72	47
Interim declared dividend per share (kobo)	40	20	20	-	-
Final dividend declared per share (kobo)	125	100	40	40	40

Earnings per share is calculated based on profit after tax attributable to ordinary shareholders divided by the issued ordinary shares at the end of each financial year.

Net assets is calculated based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year.