ARNOLD EKPE
Chairman

"Our Backward Integration Programme–"Sugar for Nigeria"–remains the cornerstone of our strategy. Once fully implemented, it will become the key driver of profitability and value creation."

Dear Shareholders,

It is my pleasure to welcome you and all our stakeholders to the 20th Annual General Meeting of Dangote Sugar Refinery Plc– my first as chairman of the board, having been elected in June 2025.

I believe I speak for everyone when I express our deepest gratitude to our former chairman, Alhaji Aliko Dangote, for his leadership and vision. We look forward to his continued support in the future.

A Year of Significant Improvement

The year under review saw a marked improvement in performance, despite a challenging economic environment. The Group posted a turnover of ₦829.2 billion, a 25% increase over 2024. Loss for the year improved to ₦64.1 billion from ₦270.9 billion in the prior year, while EBITDA rose to ₦149.6 billion, up from ₦43.0 billion.

These results reflect the resilience of our business and the dedication of our teams. We expect to continue this momentum into the current year.

Operating Environment

Globally, 2025 was marked by moderate expansion, though volatility in commodity and financial markets persisted. In Nigeria, the economy showed gradual improvement. The manufacturing sector continued to face structural constraints—elevated production costs, power supply challenges, and imported inflation—yet sub sectors such as food processing and cement recorded gradual growth. Overall, the economy remained in a transitional phase, with strengthening fiscal fundamentals and improving investor confidence alongside moderating pressures.

Financial Performance and Strengthening the Balance Sheet

While our top line growth and EBITDA improvement demonstrate operational progress, profitability was impacted by a foreign exchange loss of ₦46.7 billion and other finance costs of ₦128.6 billion. Effective steps are being taken to enhance operational efficiency and grow revenues.

To further strengthen our balance sheet and position the company for future growth, the directors will be seeking shareholders' approval for a rights issue in the near term.

Backward Integration: The Cornerstone of Our Strategy

Our backward integration programme—"Sugar for Nigeria"—remains the cornerstone of our strategy. Once fully implemented, it will become the key driver of profitability and value creation. The programme will reduce import dependence, lower foreign exchange exposure, generate employment, strengthen our supply chain, and support local farmers through our outgrower scheme.

Our goal is to produce 1.5 million metric tonnes of sugar annually from locally grown sugarcane. This requires cultivating approximately 45,000 hectares—2.7 million tonnes of cane in Numan and 3.35 million tonnes in Nasarawa. Delivering this ambitious plan demands significant investment over the next five years in land development and factory expansion.

Sustainability and Community Impact

Our commitment to sustainability extends beyond our operations. We believe that our presence must benefit the communities where we operate, strengthening both our business performance and our social impact. Through Vision 2030—recently launched by the Dangote Group—we aim to achieve our sustainability goals via operational improvements and strategic partnerships.

I am proud to note that our progress in environmental, social and governance (ESG) milestones earned Dangote Sugar the National Sustainability Award for Best Sugar Manufacturing Company of the Year 2025 at the Nigeria ESG Summit.

Board and Management Changes

During the year, we welcomed several changes to the board and executive leadership. Following the retirement of Alhaji Aliko Dangote on 16 June 2025, I was elected chairman. Two non-executive directors, Ms. Maryam Bashir and Professor Konyinsola Ajayi, also retired from the board. We thank them sincerely for their invaluable contributions.

The board has since appointed Mrs. Oluyemisi Ayeni as a non-executive director. Our Group Managing Director/CEO, Mr. Ravindra Singhvi, resigned effective 30 November 2025, and we are pleased to welcome Mr. Thabo Mabe as his successor—bringing extensive experience from his leadership roles at NASCON Allied Industries Plc and Dangote Flour Mills Plc. Additionally, Mr. Mulhim Eltayeb, an experienced sugar executive, has joined the board as an executive director to oversee the backward integration programme.

We warmly welcome our new colleagues and look forward to their contributions. The directors retiring by rotation, being eligible, will offer themselves for re election at this meeting.

Looking Ahead

Our focus remains clear: driving sustainable growth, impact, and profitability. We will continue to optimise efficiencies, explore market expansion opportunities, and increase our footprint nationwide. In line with the Dangote Group's Vision 2030, we will sustain investment in our people and technology to consistently deliver quality products and superior customer satisfaction.

Acknowledgements

I thank my colleagues on the board, management, and staff for their hard work, dedication, and commitment. I also extend our appreciation to our customers, shareholders, suppliers, partners, and other stakeholders for their continued support and confidence in Dangote Sugar.

Together, we will steer Dangote Sugar back to profitability and sustainable growth.

ARNOLD EKPE
Chairman
April 2026