UBN Property Company Plc
Lagos, Nigeria

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

UBN PROPERTY COMPANY PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Contents

Corporate information

Directors	Yetunde Bolanle Oni (Mrs.)	Board Chair
	Michael Onagbola*	Managing Director
	Dr. Kayode Oluwi**	Ag. Managing Director
	Obiaku Nneze Akwiwu - Nwadike (Mrs.)	Non-Executive Director
	Remi Kolarinwa	Independent Non-Executive Director
	Mannir Ringim	Non-Executive Director
	Oluwagbenga Adeoye***	Non-Executive Director
	**Retired 8 April 2026*	
	***Appointed 2 April 2026*	
	****Appointed 17 November 2025*	
Registered Office	163, Obafemi Awolowo Way Alausa, Ikeja Lagos	
Ag. Company Secretary	Ahudiya Ukiwe-Amodu FRC/2026/PRO/NBA/002/964313 Stallion Plaza 36 Marina Lagos	
Registrar	CardinalStone Registrars Limited 335/337, Herbert Macaulay Way Yaba Lagos, Nigeria	
Estate Valuer	Knight Frank Nigeria 24 Campbell Street Marina Lagos FRC/2013/00000000584	
Auditor	Ernst & Young UBA House, 10^{th} and 13^{th} Floors 57 Marina, Lagos	
Banker	Union Bank of Nigeria Plc	
Tax Identification No.	00346822-0001	
RC Number	476267	

Report of the Directors

Directors' report

The Directors present their annual report on the affairs of UBN Property Company Plc ("the Company"), together with the financial statements and auditor's report for the year ended 31 December 2025.

Legal form

The Company was incorporated in Nigeria under the Companies and Allied Matters Act as a Limited Liability Company on 24th March 2003 and has been in operation since then. On 11th February 2015, the Company was re-registered as a Public Limited Company. The address of its registered office is 163, Obafemi Awolowo Way, Alausa, Ikeja, Lagos, Nigeria.

Principal activity

The principal activity of the Company is the development, sale and management of residential and office accommodation for corporate bodies and individuals.

Operating results

The highlight of the Company's operating results for the year is as follows:

in thousands of Nigerian Naira	**2025**	**2024**
Profit before income tax expense	488,038	2,865,280
Income tax expense	(601,555)	(632,983)
(Loss)/profit after income tax expense	**(113,517)**	**2,232,297**
Dividend declared and paid during the year	-	**421,982**
Basic and diluted (loss)/earnings per share (kobo)	(2)	40

Analysis of Shareholding

The shareholding structure of the Company is as stated below:

As at 31 December 2025

Range	No. of Holders	% of Total Holders	Units held	% of Total Holders
1 - 50,000	354	38.0	7,661,745	0.14
50,001- 500,000	344	36.9	71,744,839	1.28
500,001- 5,000,000	172	18.5	315,955,985	5.62
5,000,001- 50,000,000	53	5.7	1,039,069,186	18.47
50,000,001- 500,000,000	5	0.5	371,725,700	6.61
500,000,001 - 5,626,416,051	3	0.3	3,820,258,596	67.90
Grand total	931	100	5,626,416,051	100

As at 31 December 2024

Range	No. of Holders	% of Total Holders	Units held	% of Total Holders
1 - 50,000	315	35.31	7,472,433	0.13
50,001- 500,000	343	38.45	71,521,121	1.27
500,001- 5,000,000	173	19.39	318,541,972	5.66
5,000,001- 50,000,000	52	5.83	996,397,999	17.71
50,000,001- 500,000,000	6	0.67	460,691,119	8.19
500,000,001 - 5,626,416,051	3	0.34	3,771,791,407	67.04
Grand total	892	100	5,626,416,051	100

Proposed Dividend

For the year ended 31st December 2025, the Board of Directors have proposed a no dividend position.

For the year ended 31st December 2024, the Board of Directors initially proposed dividend payment of N0.075 Kobo per ordinary share. However, a subsequent proposal of bonus issue of shares in proportion of three (3) ordinary shares of N1.00 each fully paid for forty (40) ordinary shares of N1.00 each was made and approved at the 15th Annual General Meeting held on 30th March 2026.

Report of the Directors - Continued

Directors and their interests

The names of the Directors at the date of this report and of those who held offices during the year are as follows:

Yetunde Bolanle Oni	Board Chair
Michael Onagbola*	Managing Director
Obiaku Nneze Akwiwu - Nwadike	Non-Executive Director
Remi Kolarinwa	Independent Non-Executive Director
Mannir Ringim	Non-Executive Director
Oluwagbenga Adeoye**	Non-Executive Director

**Retired 8 April 2026*
***Appointed 17 November 2025*

The direct and indirect interest of Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by the Directors for the purposes of the provisions of Section 122 of CAMA 2020 are as follows:

	31 December 2025		31 December 2024	
	Direct	Indirect	Direct	Indirect
Yetunde Bolanle Oni	-	-	-	-
Michael Onagbola	-	-	-	-
Obiaku Nneze Akwiwu - Nwadike	53,500,000	56,000,000	53,500,000	56,000,000
Remi Kolarinwa	-	-	-	-
Mannir Ringim	-	-	-	-
Oluwagbenga Adeoye	-	-	-	-
	53,500,000	56,000,000	53,500,000	56,000,000

Directors' interest in Contracts
In accordance with the provision of the Companies and Allied Matters Act, 2020 none of the Directors has notified the Company of any declarable interests in contracts with the Company.

Directors' retirements
The Directors who retire by rotation and, being eligible, offer themselves for re-election in accordance with Articles 26 and 27 of the Company's Articles of Association are Mr. Remi Kolarinwa and Mrs. Obiaku Nneze Akwiwu-Nwadike

Significant shareholdings
According to the Register of Members, no shareholder other than the under-mentioned held at least 5% of the issued capital of the Company as at 31 December 2025:

	31 December 2025		31 December 2024	
Range	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
Union Bank of Nigeria Plc	2,195,000,000	39.01	2,195,000,000	39.01
Dangana Abdulwahab	942,926,546	16.76	942,926,546	16.76
Suleiman Tanko Yakasai	682,332,050	12.13	633,864,861	11.27

Property and equipment
Information relating to changes in property and equipment is given in Note 11 to the financial statements. In the opinion of the Directors, market value of property and equipment is not less than the value shown in the financial statements.

Employment of Physically Challenged Persons

The Company had no physically challenged persons in its employment during the year. However, applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort will be made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled persons, as far as possible, are identical with that of other employees.

Health, safety at work and welfare of employees
The Company places a high premium on the health, safety and welfare of its employees in their place of work. Medical facilities are provided to employees and their immediate families at the Company’s expense.

Report of the Directors - Continued

Employees' involvement and training

The Company places considerable value on the involvement of its employees in the affairs of the Company and has a policy of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

The Company places a lot of emphasis on employee development and training. Consequently, in-house training is complemented by additional external training where the need is assessed as required or necessary.

Events after the reporting date

There were no subsequent events after reporting date which could have had material effect on the state of affairs of the Company as of 31 December 2025, which have not been adequately provided for or disclosed.

Divestment of Union Bank of Nigeria Plc's interest in the Company

Union Bank of Nigeria Plc (the Parent Company) obtained approval from the Central Bank of Nigeria in May 2013 to carry out its plan of divesting from all its non-banking subsidiaries within 18 months (eighteen months) from the date of approval. This was in accordance with the Central Bank of Nigeria's Regulation 3 (Regulation on the Scope of Banking Activities and Ancillary Matters, No. 3, 2010). The specified period for disposal of the Bank's interest in UBN Property Company Plc lapsed in November 2014.

The Parent Company was restrained from proceeding with the divestment due to litigation instituted by some of the Company's shareholders in respect of the private placement conducted by the Company in 2006. Hence, the Directors of the Company suspended the divestment process. However, following the resolution of the litigation, the Parent Company will resume the divestment process of its interest in the Company to ensure compliance with the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters, No. 3, 2010. This matter is not expected to have any significant impact on the entity.

Donations

In compliance with Section 43(2) of the Companies and Allied Matters Act of Nigeria, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose, nor other donations, during the year (2024: Nil).

Operational risk management

Major sources of operational risk include operational process, IT security, dependence on key suppliers, fraud, human error, regulatory compliance, recruitment, training, retention of staff, and social and environmental impact. The Company has strict operational procedures in place. The compliance and risk management are monitored and reported to the Board of Directors.

Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Therefore, the financial statements continue to be prepared on the going concern basis.

Auditor

Messrs. Ernst & Young (EY) acted as the Company's independent auditor during the financial year ended 31 December 2025. The independent auditor's report was signed by Sheriffdeen Adebakin, a partner in the firm, with Financial Reporting Council of Nigeria (FRC) membership number FRC/2025/PRO/ICAN/004/213414.

Messrs. Ernst & Young (EY) has indicated willingness to continue in office as auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020.

By order of the Board

Ahudiya Ukiwe-Amodu
FRC/2026/PRO/NBA/002/964313
Ag. Company Secretary

11 May 2026

Statement of Corporate Responsibility for the Financial Statements

In line with the provision of Section 405 of the Companies and Allied Matters Act, 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2025 based on our knowledge and confirm as follows:

i The audited financial statements do not contain any untrue statement of material fact and/or omit to state a material fact which would make the statements misleading.

ii The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2025.

iii The Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the auditors in the course of the audit.

iv The Company's internal controls were evaluated within ninety (90) days of the financial reporting date and are effective as of 31 December 2025.

v That we have disclosed to the Company's auditor and Statutory Audit Committee the following information:

a there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of audit.

b there is no fraud involving management or other employees which could have any significant role in the Company's internal control.

c There are no significant changes in internal controls or in the other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Dr. Kayode Oluwi
FRC/2026/PRO/DIR/003/729763
Ag. Managing Director

11 May 2026

Oluwagbenga Adeoye
FRC/2013/ICAN/00000002063
Chief Financial Officer

11 May 2026

Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements

Section 377 of the Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Company:

a keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with IFRS Accounting Standards as issued by the International Accounting Standards Board, the relevant requirements of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

b establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, the relevant requirements of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve (12) months from the date of this statement.

Signed on behalf of the Board of Directors by:

Dr. Kayode Oluwi
FRC/2026/PRO/DIR/003/729763
Ag. Managing Director

11 May 2026

Yetunde Bolanle Oni
FRC/2024/PRO/DIR /003/678857
Board Chair

11 May 2026

Corporate Governance Report

Corporate Governance practices in UBN Property Company Plc ("UPCP" or "the Company") are as codified in the Securities and Exchange Commission ("SEC") Corporate Governance Guidelines, the Nigerian Code of Corporate Governance of 2018 by the Financial Reporting Council of Nigeria, and other relevant statutes. These provide guidance for the governance of the Company, compliance with regulatory requirements and form the basis of the core values upon which the Company is run. The guidelines and statutes are geared towards ensuring the accountability of the Board of Directors ("the Board") and Management to the stakeholders of the Company in particular and emphasize the need to meet and address the interests of a range of stakeholders, to promote the long-term sustainability of the Company.

UPCP is committed to the best corporate governance practices and believes that adherence and commitment to high governance principles and standards is the panacea for effective control and management of the Company. The principle of good corporate governance practices remains one of our core values and an important ingredient in creating, protecting, promoting and sustaining shareholders' interests, rights and values, as well as delivering excellent service to our customers. The Company is committed to the highest ethical standards and transparency in the conduct of its business.

In compliance with the requirements of the SEC Corporate Governance Guidelines, an annual board appraisal review is conducted by an independent consultant (DSCL Corporate Services Limited) appointed by the Company, whose report is submitted to the Board and presented to shareholders at the Annual General Meeting (AGM) of the Company.

Securities Trading Policy
To further demonstrate its commitment to transparency and ensure compliance with regulatory requirements, the Company has developed a Securities Trading Policy in line with the SEC Corporate Governance Guidelines. The Policy sets out the process by which directors, staff, shareholders, key management personnel, third party service providers or any other connected persons who have direct or indirect access to the Company's insider information can deal in the Company's securities. It also prohibits the trading of the Company's securities during 'Closed Periods'. The policy is designed to ensure that its compliance is monitored on an ongoing basis.

Complaints' Management Policy
The Company's Complaints' Management Policy has been prepared pursuant to the Rules Relating to the Complaints' Management Framework of the Nigerian Capital Market issued by the SEC on 16th February 2015. The Policy applies strictly to the Company's shareholders and provides an avenue for them to make complaints regarding their shareholding and relationship with the Company.

The Complaints' Management Policy aims to promote and safeguard the interest of the Company's shareholders and investors, with its primary objective of ensuring that the activities of the board and management are in the best interest of the Company and its shareholders. The policy, jointly implemented by the Registrar and the Company Secretary, sets out the process and channels through which shareholders can submit their complaints, and the process for managing these complaints.

Whistle Blowing Procedures
In line with the Company's commitment to instill the best corporate governance practices, the Company's anonymous whistle-blowing channel is independent through the following media:
- Whistle blower hotline: 01-2805791
- Email: Tip-offs@deloitte.com.ng

This is to uphold commitment to the highest standards of openness, integrity, accountability and ethical standards. There is a direct link to the web portal (https://tip-offs.deloitte.com.ng/) on the Company's website and intranet to enable stakeholders, including members of staff, report all suspected breaches of the Company's Code of Corporate Governance.

Remuneration Policy for Directors and Senior Management
The Company's Remuneration Policy for directors and senior management is geared towards attracting, retaining and motivating the best talent and enables the Company achieve its financial, strategic and operational objectives. The policy sets out amongst others, the structure and components of the remuneration packages for Executive and Non-Executive Directors and ensures that the remuneration packages comply with the Securities and Exchange Commission ("SEC") Corporate Governance Guidelines and Nigerian Code of Corporate Governance of 2018.

In line with the provisions of the extant regulations and codes of corporate governance, the remuneration of directors and senior management is set at levels, which are fair and competitive, and take into consideration the economic realities in the real estate services sector and the Company's financial performance.

Corporate Governance Report- Continued

Governance Structure
The following governance bodies are in place.

A. Board of Directors
The Board of Directors oversees the management of the Company, and at the end of 31 December 2025 comprised a Non-Executive Chairman, one Independent Non-Executive Director, three Non-Executive Directors, and the Managing Director. The Directors are listed in the table below which provides information on their attendance at Board meetings during the period under review.

NAME	21.01.2025	28.04.2025	02.06.2025	28.07.2025	28.10.2025
Yetunde Bolanle Oni	✓	✓	✓	✓	✓
Michael Onagbola*	✓	✓	✓	✓	✓
Obiaku Nneze Akwiwu - Nwadike	✓	✓	✓	✓	✓
Remi Kolarinwa	✓	✓	✓	✓	✓
Mannir Ringim	✓	✓	✓	✓	✓
Oluwagbenga Adeoye**	NA	NA	NA	NA	NA

Present	✓	Resigned/Retired	R
Not yet appointed	NA	Absent	AB

**Retired 8 April 2026*
***Appointed 17 November 2025*

Responsibilities of the Board of Directors
The Board, the highest decision-making body approved by the shareholders, met five (5) times during the year to provide strategic direction, leadership and articulate policies required to achieve the objectives of the Company.

The Board monitors the activities of the Managing Director and the Senior Management staff and the accomplishment of set objectives through reports at its meetings. In performing its oversight function over the Company's business, the Board operates through the following Board Committees.

B. Board Committees
The Board of Directors has three committees, which deal with specific operations of the Company, namely:

1. Board Audit and Risk Management Committee
The Committee consists of the following members:

Name		30.01.2025	25.04.2025	24.07.2025	21.08.2025	21.10.2025	29.12.2025
Remi Kolarinwa	Chairman	✓	✓	✓	✓	✓	✓
Obiaku Nneze Akwiwu - Nwadike	Member	✓	✓	✓	✓	✓	✓
Mannir Ringim	Member	✓	✓	✓	AB	✓	✓
Oluwagbenga Adeoye*	Member	NA	NA	NA	NA	NA	✓

**Appointed 17 November 2025*

Its responsibilities include the following, amongst others:

‣ Review and approve the annual external audit plan and to ensure the Company's information security policies, business continuity management and disaster recovery plans are comprehensive and adequate;

‣ Define the Company's risk appetite, develop and periodically review the Company's risk management strategy;

‣ Ensure that an internal audit function is established to provide reasonable assurance to the Board on the effectiveness of the Company's system of internal controls;

‣ Oversee Company's process and strategy for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms.

‣ Ensure the development of comprehensive internal audit, internal control and risk management frameworks for the Company;

‣ Obtain and review reports from the internal audit function to assess the strength, quality and effectiveness of internal controls, and monitor the status and implementation of any exceptions or recommendations for improvement raised by the most recent internal reviews of the Company's internal controls and control functions.

Corporate Governance Report- Continued

2. Board Governance, Nomination and Remuneration Committee

The Committee comprises the following members:

Name		18.02.2025	06.03.2025	07.05.2025	07.08.2025	06.11.2025
Remi Kolarinwa	Chairman	✓	✓	✓	✓	✓
Obiaku Nneze Akwiwu - Nwadike	Member	✓	✓	✓	✓	✓
Mannir Ringim	Member	✓	✓	✓	✓	✓

Present	✓	Resigned/Retired	R
Not yet appointed	NA	Absent	AB

Its responsibilities include the following, amongst others:

‣ Review and report to the Board annually on the broad key performance indicators set by executive management for staff groups below the executive management level ("Staff") to achieve that year's business and financial goals.

‣ Review and report to the Board, on the annual performance evaluation of Staff conducted by management for the prior year's performance and the overall outcome of the annual performance evaluation process.

‣ Review and report to the Board annually, the overall training policy and program for Staff and any changes as they arise to achieve business and financial goals.

‣ Consider and review staff compensation, welfare and industrial relations matters and make appropriate recommendations to the Board from time to time.

‣ Consider and recommend compensation increments for staff to the Board for consideration and approval.

‣ Review and recommend for Board approval, any policies relating to Staff, and engagement of outsourced services, not otherwise

‣ Review and advise the Board annually, on the strategy for and engagement of service providers of Support Staff, including the overall cost, performance and effectiveness of these firms in delivering cost-effective and high-quality service to the Company's customers.

3. Board Project Committee

The Committee comprises the following members:

Name		13.11.2025
Obiaku Nneze Akwiwu - Nwadike	Chairman	✓
Oluwagbenga Adeoye*	Member	NA
Remi Kolarinwa	Member	✓
Michael Onagbola**	Member	✓

Present	✓	Resigned/Retired	R
Not yet appointed	NA	Absent	AB

**Appointed 17 November 2025*
***Retired 8 April 2026*

Its responsibilities include the following, amongst others:

‣ Ensure that projects undertaken by the Company are aligned with the Company's strategy, executed within approved scope, budget and timeline and comply with all applicable Nigerian laws, regulations and governance standards;

‣ Review, evaluation and recommendation of major projects for Board approval;
‣ Monitor all Board-approved projects;
‣ Access any information, records or personnel necessary to fulfill its duties or oversight function;
‣ Engagement with Management, project consultants, project managers, contractors and regulators on any Board-approved
‣ Directing Management to remediate identified errors where significant deviations arise.
‣ Conduct periodic inspections of the Company's construction sites, land bank and proposed land for purchase; significant deviations arise.
‣ Initiation of bids for contracts
‣ Receipt and vetting of bids and proposals from contractors.
‣ Recommendation of contract awards to shortlisted contractors.
‣ Authorize investigation into any matter within its terms of reference.

Corporate Governance Report- Continued

Statutory Audit Committee

The Committee is constituted at the Company's Annual General Meeting (AGM) - It met four (4) times during the year and consists of the following members:

Name		20.01.2025	24.04.2025	24.07.2025	21.10.2025
Kamarudeen Oladosu FCA	Chairman	✓	✓	✓	✓
Nornah Awoh	Member	✓	✓	✓	✓
Remi Kolarinwa	Member	✓	✓	✓	✓
Timothy Oyedele	Member	✓	✓	✓	✓
Mannir Ringim	Member	✓	✓	✓	✓

The Statutory Audit Committee has responsibility for the following:

- Oversight responsibility for the Company's accounting and financial reporting functions.
- Oversight responsibility for the Company's accounting systems.
- Oversight responsibility for the Company's internal audit and control structures.
- Recommending the appointment, remuneration and removal of external auditors to the Board.
- Reviewing and recommending the audited financial statements to shareholders for approval.

Signed on behalf of the Board of Directors by:

Ahudiya Ukiwe-Amodu
FRC/2026/PRO/NBA/002/964313
Ag. Company Secretary

11 May 2026

Report of the Statutory Audit Committee

In compliance with Section 404 of Companies and Allied Matters Act, 2020, we reviewed the financial statements of UBN Property Company Plc. for the year ended 31 December 2025 and hereby state as follows:

i The scope and planning of the audit were adequate in our opinion;

ii The accounting and reporting policies of the Company conformed with the statutory requirements and agreed ethical practices;

iii The Internal Control and Internal Audit functions were operating effectively;

iv The External Auditor's findings as stated in the management letter are being dealt with satisfactorily by the management; and

v Related party balances and transactions have been disclosed in Note 23 to the financial statements in accordance with requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board.

Signed on behalf of the Committee by:

Kamarudeen Oladosu FCA
FRC/2013/PRO/DIR/003/00000005091
Chairman, Statutory Audit Committee

11 May 2026

Members of the committee

1	Kamarudeen Oladosu FCA	Chairman
2	Remi Kolarinwa	Member
3	Nornah Awoh	Member
4	Mannir Ringim	Member
5	Timothy Oyedele	Member

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

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 now Section 89(1) of Investment and Securities Act 2025, we hereby make the following statements regarding the Internal Controls of UBN Property Company Plc ("the Company") for the year ended 31 December 2025:

a) The Management of UBN Property Company Plc ('the Company') is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Investments and Securities Act 2025, and the Financial Reporting Council (Amendment) Act, 2023.

b) The management of UBN Property Company Plc assessed the effectiveness of the internal control over financial reporting of the Company as of 31 December 2025 using the criteria set forth by the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 now Section 89(1) of Investment and Securities Act 2025.

c) As of 31 December 2025, the management of UBN Property Company Plc did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that as of 31 December 2025, the Company's internal control over financial reporting was effective.

d) The Company's independent auditor, Ernst & Young who audited the financial statements issued a separate unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2025 based on the limited assurance engagement performed by the firm.

The attestation report of Ernst & Young that audited its financial statements will be filed as part of UBN Property Company Plc's annual report.

Dr. Kayode Oluwi	Oluwagbenga Adeoye
FRC/2026/PRO/DIR/003/729763	FRC/2013/ICAN/00000002063
Ag. Managing Director	Chief Financial Officer
11 May 2026	11 May 2026

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

We, Dr. Kayode Oluwi (Acting Managing Director) and Oluwagbenga Adeoye (Chief Financial Officer) certify that:

a) We have reviewed the 2025 Annual Financial Statements of UBN Property Company Plc ('the Company')

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the 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 Company as of 31 December 2025, presented in this report;

d) UBN Property Company Plc certifying officers:

1) are responsible for establishing and maintaining internal controls.

2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to UBN Property Company Plc, is made known to us by others within those entities, particularly during the period in which this report is being prepared.

3) have designed such internal control system or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2025 covered by this report based on such evaluation.

e) UBN Property Company Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (Ernst & Young) and the audit committee that:

1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

2) 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) UBN Property Company 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.

Dr. Kayode Oluwi FRC/2026/PRO/DIR/003/729763 Ag. Managing Director	Oluwagbenga Adeoye FRC/2013/ICAN/00000002063 Chief Financial Officer
11 May 2026	**11 May 2026**

Shape the future
with confidence

Lagos Office
UBA House, 10th & 13th Floors
57, Marina Street
Lagos State, Nigeria
Tel: +234 201 631 4500
Email: services@ng.ey.com
Web: www.ey.com

Abuja Office
TotalEnergies House, Tower 2, 2nd Floor
Plot 247, Herbert Macaulay Way, Central Business District
Federal Capital Territory, Abuja, Nigeria
Tel: +234 903 151 6484
Email: services.abuja@ng.ey.com
Web: www.ey.com

Port Harcourt Office
Charis Plaza, Ground Floor
10, Olu-Obasanjo Road
Port Harcourt, Rivers State, Nigeria
Tel: +234 811 209 3248
Email: services@ng.ey.com
Web: www.ey.com

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of UBN Property Company Plc

Scope

We have been engaged by UBN Property Company Plc ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on UBN Property Company Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2025 (the "Report").

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Criteria applied by UBN Property Company Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), UBN Property Company Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

UBN Property Company *Plc's responsibilities*
UBN Property Company Plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying UBN Property Company Plc's *management's assessment of the Internal Control over Financial reporting as of 31 December 2025* in accordance with the criteria.

Our responsibilities
Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

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.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.

Conclusion
In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2025 of UBN Property Company Plc and we expressed an unmodified opinion in our Auditor’s report dated 10 June 2026. Our conclusion is not modified in respect of this matter.

Sheriffdeen Adebakin
FRC/2025/PRO/ICAN/004/213414
For: Ernst & Young
Lagos, Nigeria

10 June 2026

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0129606

Shape the future
with confidence

Lagos Office
UBA House, 10th & 13th Floors
57, Marina Street
Lagos State, Nigeria
Tel: +234 201 631 4500
Email: services@ng.ey.com
Web: www.ey.com

Abuja Office
TotalEnergies House, Tower 2, 2nd Floor
Plot 247, Herbert Macaulay Way, Central Business District
Federal Capital Territory, Abuja, Nigeria
Tel: +234 903 151 6484
Email: services.abuja@ng.ey.com
Web: www.ey.com

Port Harcourt Office
Charis Plaza, Ground Floor
10, Olu-Obasanjo Road
Port Harcourt, Rivers State, Nigeria
Tel: +234 811 209 3248
Email: services@ng.ey.com
Web: www.ey.com

Independent Auditor's Report

To the Members of UBN Property Company Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBN Property Company Plc ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of UBN Property Company Plc as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Shape the future
with confidence

Independent Auditor's Report

Key Audit Matters- Continued

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment Property The carrying value of investment property as at 31 December 2025 amounted to ₦4.702 billion (2024: ₦11.963 billion). This represents 31% (2024: 78%) of the total assets. The fair value gain on it for the year then ended amounted to ₦579.2million (2024: ₦1.308 billion). It is the Company's policy that Investment Property is stated at fair value as determined by independent external valuation experts. Determining the fair value of investment property requires a high level of professional judgement and assessment. The value of the property was assessed by a professional valuer using appropriate valuation methods (Comparative and Income methods of valuation). For example, in the Comparative method, references were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in the actual location, age of the property, date of recent sales and condition of the property. The valuation of investment property was considered to be a key audit matter due to the inherent judgement in determining the property values. The Company's accounting policy on investment property and related disclosures are shown in Notes 3.2 and 10 respectively of the financial statements.	Our procedures included the following: * We obtained a schedule of investment properties and agreed the balances to the respective general ledger accounts. * We assessed the external property valuers' qualifications, experience, and expertise in the properties being valued and considered their objectivity and independence. * We assessed the reasonableness of the adjusted valuation per square meter by carrying out independent online research on the market price for properties in the same location. * We engaged an independent valuer to assess the valuation method adopted and conclude on whether the valuation method, as applied by the external valuers, is acceptable and in accordance with applicable standards, for the purpose of the valuation of the underlying investment property.

Shape the future
with confidence

Independent Auditor's Report

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "UBN Property Company Plc Annual Report for the year ended 31 December 2025", which includes the Corporate information, Report of the Directors, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements, Corporate Governance Report, Report of the Statutory Audit Committee, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Management's Assessment of Internal Control over Financial Reporting, and Other National Disclosures. The other information does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon as part of this opinion.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Independent Auditor’s Report

Auditor’s Responsibilities for the Audit of the Financial Statements - Continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

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

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

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on Management's assessment of the Company's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 10 June 2026.

Sheriffdeen Adebakin
FRC/2025/PRO/ICAN/004/213414
For: Ernst & Young
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0129617

10 June 2026

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025 ***in thousands of Nigerian Naira***	**Note**	**2025**	**2024**
Revenue from the sale of inventory properties	6	-	1,366,004
Cost of sale of inventory properties	12.2	-	(576,423)
Profit from the sale of inventory properties		-	789,581
Property management fees	6	47,928	51,342
Rental income from investment property	6	117,805	57,184
		165,733	**898,107**
Fair value gain on investment properties	10	579,222	1,307,535
Personnel expenses	7	(276,970)	(179,341)
Depreciation of plant and equipment	11	(18,455)	(14,296)
Operating expenses	8	(162,308)	(307,415)
Operating profit		287,222	1,704,590
Interest income from short-term deposits		120,076	1,126,210
Interst expenses on borrowing		(7,199)	-
Other income	9	87,939	34,480
Profit before income tax expense		**488,038**	**2,865,280**
Income tax expense	18.1	(601,555)	(632,983)
(Loss)/profit after income tax expense		**(113,517)**	**2,232,297**
Other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		**(113,517)**	**2,232,297**
Basic and diluted (loss)/earnings per share (kobo)	21	(2)	40

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2025 ***in thousands of Nigerian Naira***	**Note**	**31 December 2025**	**31 December 2024**
Non-current assets			
Investment property	10	4,702,178	11,963,086
Plant and equipment	11	42,319	49,809
Total non-current assets		**4,744,497**	**12,012,895**
Current assets			
Inventory property	12	9,724,332	-
Trade and other receivables	13	142,512	330,308
Cash and short term deposits	14	651,092	2,906,731
Total current assets		**10,517,936**	**3,237,039**
Total assets		**15,262,433**	**15,249,934**
Non-current liabilities			
Deferred tax liabilities	19	948,203	346,648
Total non-current liabilities		**948,203**	**346,648**
Current liabilities			
Interest-bearing short-term borrowing	15	97,874	-
Trade and other liabilities	16	985,967	2,125,592
Current income tax payable	18.3	409	502,454
Contract liabilities	17	1,217,289	149,032
Total current liabilities		**2,301,539**	**2,777,078**
Total liabilities		**3,249,742**	**3,123,726**
Equity			
Share capital	20.1	5,626,416	5,626,416
Share premium	20.2	1,092,822	1,092,822
Retained earning		5,293,453	5,406,970
Total equity		**12,012,691**	**12,126,208**
Total liabilities and equity		**15,262,433**	**15,249,934**

The financial statements were approved by the Board of Directors on 11 May 2026 and signed on its behalf by:

Dr. Kayode Oluwi
FRC/2026/PRO/DIR/003/729763
Ag. Managing Director

Yetunde Bolanle Oni
FRC/2024/PRO/DIR /003/678857
Board Chair

Additionally certified by:
Oluwagbenga Adeoye
FRC/2013/ICAN/00000002063
Chief Financial Officer

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2025 ***in thousands of Nigerian Naira***	**Note**	**Share capital**	**Share premium**	**Retained earnings**	**Total equity**
As at 1 January 2024		5,626,416	1,092,822	3,596,655	10,315,893
Profit for the year		-	-	2,232,297	2,232,297
Total comprehensive income for the year, net of tax		-	-	2,232,297	2,232,297
Transactions with owners of equity					
Dividends declared and paid at ₦0.075 kobo per 1 unit of ordrinary shares unit of ordinary share		-	-	(421,982)	(421,982)
Total transactions with owners of equity		-	-	(421,982)	(421,982)
As at 31 December 2024		5,626,416	1,092,822	5,406,970	12,126,208
As at 1 January 2025		5,626,416	1,092,822	5,406,970	12,126,208
Loss for the year		-	-	(113,517)	(113,517)
Total comprehensive income for the year, net of tax		-	-	(113,517)	(113,517)
As at 31 December 2025		5,626,416	1,092,822	5,293,453	12,012,691

The accompanying notes to the financial statements are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2025 ***in thousands of Nigerian Naira***	**Note**	**2025**	**2024**
Cash flows from operating activities			
Profit before income tax expense		488,038	2,865,280
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of plant and equipment	11	18,455	14,296
Loss from sale of plant and equipment	8	-	178
Fair value loss/(gain) on investment properties	10	(579,222)	(1,307,535)
Interst expenses on borrowing	15.1	7,199	-
Interest income		(120,076)	(1,126,210)
Cash flows (used in)/from operating activities before changes in working capital		(185,606)	446,009
Changes in working capital			
Inventory property	12.2	-	554,773
Trade and other receivables	24.1	187,796	(180,472)
Trade and other liabilities	24.2	(1,139,625)	1,353,473
Contract liabilities	24.3	1,068,257	(460,061)
Cash flows (used in)/from operating activities		(69,178)	1,713,722
Income tax paid	18.3	(502,045)	(566,643)
Net cash flows (used in)/from operating activities		**(571,223)**	**1,147,079**
Cash flows from investing activities			
Interest income received	24.4	120,076	1,212,939
Cost capitalised and additions of investment properties	10	(1,884,202)	(7,353,751)
Short-term deposits with maturity of more than 3 months on date of origination	24.5	-	8,181,346
Proceed from disposal of office equipment		-	102
Purchase of plant and equipment	11	(10,965)	(26,040)
Net cash flows (used in)/from investing activities		**(1,775,091)**	**2,014,596**
Cash flows from financing activities			
Dividends paid		-	(421,982)
Proceeds from borrowings	15.1	150,000	-
Repayment of principal portion	15.1	(56,009)	-
Interest paid	15.1	(3,316)	-
Net cash flows from/(used in) financing activities		**90,675**	**(421,982)**
Net (decrease)/increase in cash and cash equivalents		**(2,255,639)**	**2,739,693**
Cash and cash equivalents as at 1 January		2,906,731	167,038
Cash and cash equivalents as at 31 December	**14.1**	**651,092**	**2,906,731**

The accompanying notes to the financial statements are an integral part of these financial statements.

Notes to the Financial Statements

1 Reporting Entity

UBN Property Company Plc was incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company on 24th March 2003. On 11th February 2015, the Company was re-registered as a public limited liability Company. The address of its registered office is 163, Obafemi Awolowo Way, Alausa, Ikeja, Lagos, Nigeria.

The Company is involved in the development, sale and management of residential and office accommodation for corporate entities and individuals. The Company is a subsidiary of Union Bank of Nigeria Plc.

These financial statements cover the financial year ended 31 December 2025, with comparative amounts and other information for the financial year ended 31 December 2024.

2 Basis of Preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. These financial statements also comply with the requirements of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The accounting policies have been consistently applied to all periods presented. The financial statements for the year ended 31 December 2025 were authorised for issue by the Company's Board of Directors on 11 May 2026.

These financial statements are presented in Nigerian Naira, which is the Company’s functional and presentation currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

3 Summary of material accounting policies

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year.

3.1 Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and machinery	5 years
Fixtures and fittings	5 years
Office equipment	5 years
Motor vehicles	4 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.2 Investment property

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally residential building and landed properties that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Notes to the Financial Statements- Continued

3 **Summary of material accounting policies - Continued**

3.2 **Investment property - Continued**

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and, only in case of investment property held under a lease, initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Company considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefitcis expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

3.3 **Inventory property**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that the Company develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:
▪ Freehold and leasehold rights for land
▪ Amounts paid to contractors for development
▪ Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV of inventory property is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.4 **Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 **Financial Assets**

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Company's trade and other receivables do not contain a significant financing component or for which the Company has applied the practical expedient, they are initially measured at the transaction price as described in Note 3.6.3 for revenues from contracts with customers.

3 Summary of material accounting policies - Continued

3.4.1 Financial Assets - Continued

Initial recognition and measurement- Continued
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, the Company's financial assets are classified in one category: Financial assets at amortised cost (trade and other receivables and cash and short-term deposits)

Financial assets at amortised cost
For purposes of subsequent measurement, the Company measures financial assets at amortised cost if both of the following conditions are met:

▪ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
▪ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Company's financial assets (trade and other receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
▪ The rights to receive cash flows from the asset have expired Or
▪ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3 Summary of material accounting policies - Continued

3.4.1 Financial Assets - Continued

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, if any.

For trade and other 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 (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.4.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities comprise interest-bearing borrowing and trade and other liabilities.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense on borrowing in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.5 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Notes to the Financial Statements- Continued

3 Summary of material accounting policies - Continued

3.6 Revenue recognition

The Company's key sources of income include:
▪ Rental income
▪ Revenue from contracts with customers:
▪ Services to tenants including management charges and other expenses recoverable from tenants
▪ Sale of inventory property – completed property and property under development
The accounting for each of these elements is discussed below.

3.6.1 Rental income

The Company earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term, except for contingent rental income which is recognised when earned, and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of profit or loss when the right to receive them arises.

3.6.2 Property Management Fee - Revenue from services to tenants and landlord

For investment property held primarily to earn rental income, the Company enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and electricity), as well as other event related services). The consideration charged to tenants for these services includes fees charged based on a percentage of the reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

Property Management fees also include fees received for maintenance of managed property and on rent received on behalf of landlord. The Company has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Company allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants and landlord simultaneously receive and consume the benefits provided by the Company. The Company applies the cost incurred and rental income collection method to measure progress. The consideration charged to tenants and landlord for these services is based on a percentage of the reimbursement of certain expenses incurred and rental income collected respectively.

The Company arranges for third parties to provide certain of these services to its tenants. The Company concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Company records revenue on a gross basis.

3.6.3 Revenues from the sale of inventory property

The Company enters into contracts with customers to sell property that are either completed or under development.

Completed inventory property
The sale of completed property constitutes a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

Payments are received when legal title transfers which is usually within six months from the date when contracts are signed.

3 Summary of material accounting policies - Continued

3.6 Revenue recognition - Continued

3.6.3 Revenues from the sale of inventory property - Continued

Inventory property under development
The Company considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Company accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

For the sale of property under development, the Company has determined that it generally does not meet the criteria to recognise revenue over time. In these cases, control is transferred and hence revenue is recognised at a point in time. These are contracts either for property sold to one customer for the entire land and building or for a multi-unit property.

For contracts that meet the over time revenue recognition criteria, the Company's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The Company excludes the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the performance obligation (such as uninstalled materials).

Other consideration related to the sale of inventory property
In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract for the sale of property under development includes a variable amount incthe form of delay penalties and, in limited cases, early completion bonuses, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur. At the end of each reporting period, an entity updates the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. For more information, please refer to Note 5.1.1 on the related significant accounting judgements, estimates and assumptions.

For some contracts involving the sale of property, the Company is entitled to receive an initial deposit. This is not considered a significant financing component because it is for reasons other than the provision of financing to the Company. The initial deposits are used to protect the Company from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

In addition, for certain contracts involving the sale of property under development, the Company may require customers to make progress payments of up to 100% of the selling price, as work goes on, that give rise to a significant financing component. For contracts where revenue is recognised over time, the Company uses the practical expedient for the significant financing component, as it generally expects, at contract inception, that the length of time between when the customers pay for the asset and when the Company transfers the asset to the customer will be one year or less. For contracts where revenue is recognised at a point in time (i.e., upon completion of the development) and the practical expedient cannot be applied, the Company adjusts the transaction price for the effects of the significant financing component by discounting it using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception. However, the Company has concluded that the impact from this adjustment is immaterial to the financial statements of both the current and prior years.

The Company has determined that contracts involving the sale of completed property do not contain significant financing components. In addition, there is no non-cash consideration or consideration payable to customers.

3 Summary of material accounting policies - Continued

3.6 Revenue recognition - Continued

3.6.4 Interest income

This comprises interest income earned on short-term deposits, treasury bills and other fixed term securities. Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss.

3.6.5 Other income

Other income includes gain on disposal of investment properties, foreign exchange gain, fee income and other sundry income, etc. Income is recognized when the right to receive income is established. Income from the sale of investment properties is recognised by the entity when the control has been transferred to the customer, which is considered to occur when title passes to the customer, all managerial responsibilities and control are completely devolved to the customer and where the costs and income on sale can be measured reliably.

3.7 Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to and certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed to and certified by the customer, the difference is recognised (as a contract asset) and presented in the statement of financial position under 'Contract assets', whereas in contracts in which the goods or services transferred are lower than the amount billed to and certified by the customer (i.e., when a payment is due or a payment is received before the Company transfers the remaining goods or services), the difference is recognised and presented in the statement of financial position under 'Contract liabilities'.

For more information on contract liabilities, please refer to Note 17.

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from property development activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional.

3.8 Taxes

3.8.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in OCI or equity is recognised in OCI or in equity, respectively, and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

3 Summary of material accounting policies - Continued

3.8.1 Current income tax - Continued

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

3.8.2 Minimum tax

A Company is subject to Minimum tax in a year where it has no taxable profit on which to base its tax liabilities on. 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 gross amount which is outside the scope of IAS 12 and are not presented as part of income tax expense in the profit or loss but rather presented above the income tax line as Minimum tax.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised 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.

3.8.3 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
▪ When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

▪ In respect of taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:
▪ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

▪ In respect of deductible temporary differences associated with investments in subsidiaries, branches, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements- Continued

3 Summary of material accounting policies - Continued

3.8.3 Deferred Tax - Continued

In accounting for the deferred tax relating to the lease, the Company considers both the lease asset and liability separately. The Company separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if there is new information about changes in facts and circumstances. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and 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.

3.9 Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amount. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered. Currently employees and the Company contribute 10% and 12.5% respectively of the qualifying employee salary in line with the provisions of the Pension Reform Act 2014.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Short-term benefits include wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which theemployees render the related service are recognised.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

3.10 Share capital

The ordinary share capital of the entity is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

3.11 Dividend on ordinary shares

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.12 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.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements- Continued

3 Summary of material accounting policies - Continued

3.13 **Fair value measurements**

The Company measures financial instruments and certain non-financial assets such as investment property at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4 **Application of new and revised International Financial Reporting Standard (IFRS)**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4.1 **Standards/amendments issued that became effective during 2025**

During the year, the following new/amendments to IFRSs became effective, but has no impact on the financial statements of the Company.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 01 January 2026. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have an impact on the Company's financial statements.

Notes to the Financial Statements- Continued

4 Application of new and revised International Financial Reporting Standard (IFRS) - Continued

4.2 Standards/amendments issued but not yet effective

4.2.1 Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

– A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.

– Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

– Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.

– The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Company is currently performing an assessment of all material electronic payment systems it operates, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Company is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.

In addition, the Company is assessing the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

4.2.2 Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a nonhyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a nonhyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The amendments will not have an impact on the Company's financial statements.

Notes to the Financial Statements- Continued

4 Application of new and revised International Financial Reporting Standard (IFRS) - Continued

4.2 Standards/amendments issued but not yet effective- Continued

4.2.3 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Banks, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both.

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

* Rental income, change in fair value from investment properties will be classified in the investing category within the statement of profit or loss.

* Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.

* New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

* Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

4.2.4 IFRS 19 – Subsidiaries without Public Accountability: Disclosure

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise. In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance. Eligible entities: An entity may elect to apply IFRS 19 if at the end of the reporting period; It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements; It does not have public accountability; and It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The new standard will not have an impact on the Company's financial statements.

Notes to the Financial Statements- Continued

4 Application of new and revised International Financial Reporting Standard (IFRS) - Continued

4.2 Standards/amendments issued but not yet effective - Continued

4.2.5 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture –Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgmental and entities need to consider the definition carefully in such transactions

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The amendment is not expected to have an impact on the Company's financial statements.

4.2.6 Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

The amendment is not expected to have an impact on the Company's financial statements.

4.2.7 Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:
- IFRS 1 First-time Adoption of International Financial Reporting Standard
- IFRS 7 Financial Instruments: Disclosures
- Guidance on implementing IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IAS 7 Statement of Cash Flows

5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

5.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

5.1 Judgements - Continued

5.1.1 Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations

With respect to the sale of property, the Company concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Company is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Company uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

In relation to the services provided to tenants of investment property (such as cleaning, security, electricity, landscaping) as part of the lease agreements into which the Company enters as a lessor, the Company has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Company has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a cost-incurred measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Company.

Principal versus agent considerations – services to tenants

The Company arranges for certain services provided to tenants of investment property included in the contract the Company enters into as a lessor, to be provided by third parties. The Company has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Company has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Company has concluded that it is the principal in these contracts. In addition, the Company has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Determining the timing of revenue recognition on the sale of property

The Company has evaluated the timing of revenue recognition on the sale of property based on a careful analysis of the rights and obligations under the terms of the contract.

The Company has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

For contracts relating to the sale of property under development, the Company has generally concluded that the over time criteria are not met and, therefore, recognises revenue at a point in time. These are contracts either for property sold to one customer for the entire land and building or for a multi-unit property.

The Company has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Company and the transfer of goods and services to the customer.

Notes to the Financial Statements- Continued

5.1.1 Revenue from contracts with customers - Continued

Consideration of significant financing component in a contract

For some contracts involving the sale of property, the Company is entitled to receive an initial deposit. The Company concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Company. The initial deposits are used to protect the Company from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

5.2.1 Valuation of investment property

The fair value of investment property is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

Investment property is measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in 10.

5.2.2 Estimation of net realisable value for inventory property

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for property in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

5.2.3 Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development that meet the over time criteria of revenue recognition, the Company's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property. The Company generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Company's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Company excludes the effect of those costs. Also, the Company adjusts the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the performance obligation.

5.2.4 Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in a customer segment, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

6 Rental income and revenue from contracts with customers

in thousands of Nigerian Naira	2025	2024
Rental income and revenue from contracts with customers are, as follows:		
Sale of completed inventory properties	-	1,366,004
Property management fees	47,928	51,342
Revenue from contracts with customers	47,928	1,417,346
Rental income from investment property	117,805	57,184
Total rental income and revenue from contracts with customers	165,733	1,474,530
The revenue is further disaggregated based on the timing of revenue recognition as follow:		
Goods/services transferred at a point in time	47,928	1,417,346
Services transferred over time	117,805	57,184
	165,733	1,474,530

There is no contingent rental income during the year ended 31 December 2025 (2024: Nil).

Operating leases - Company as lessor

The Company has entered into leases on its property portfolio. The residential property leases typically have lease terms between 1 and 3 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. There are no future minimum lease receivable as rent are received in advance by the Company.

7 Personnel expenses

in thousands of Nigerian Naira	2025	2024
Staff allowances	168,049	103,052
Staff Salaries	93,581	65,978
Pension contribution	8,464	5,491
Staff training	6,876	4,820
	276,970	179,341

8 Operating expenses

in thousands of Nigerian Naira	Note	2025	2024
Industrial Training Fund levy		1,563	1,500
Directors' fees and sitting allowance		22,908	17,273
Directors training and workshop		-	154,878
Statutory fees and filing		2,306	-
Stationery and subscription		1,525	1,270
Entertainment		4,631	4,457
Loss on disposal of plant and equipment		-	178
Annual General Meeting expense		6,317	5,770
Bank charges		3,256	25,965
Rent and land use charge expense		12,990	12,118
Insurance		2,247	3,813
Transportation		4,862	3,349
Security		7,365	320
Telecommunication and rates		514	245
Software maintenance		6,135	6,639
Legal fees		-	403
Auditor's remuneration	8.2	10,000	10,000
Professional and consultancy fees	8.1	45,668	42,065
Repairs and maintenance		9,851	17,172
Late filing penalty		20,170	-
		162,308	307,415

8.1 These are fees paid for various professional services rendered to the Company by consultants as well as other fees and charges incurred by the Company i.e tax services , professional fees on board evaluation, printing of annual report, etc.

8.2 The external auditor was engaged for a permissible non-audit service for a gross fee of ₦5 million (2024: ₦5 million) in respect of the review of Internal Control over Financial Reporting (ICFR) for the year ended 31 December 2025 as required by Financial Report Council of Nigeria (FRCN).

Notes to the Financial Statements- Continued

9 Other income

in thousands of Nigerian Naira	Note	2025	2024
Withholding tax recovery	9.1	-	15,485
Estate agency and valuation service fee		12,939	11,556
Returns on Oyin Jolayemi project		74,973	-
Sundry income	9.2	26	7,439
		87,938	34,480

9.1 This relates to withholding tax recovered after reconciliation with tax authorities.

9.2 The sundry income of prior year includes insurance claims, rent recoveries etc.

10 Investment property

Investment properties comprises commercial properties leased to third parties and properties held for capital appreciation. These properties are carried at fair value with changes recorded in profit or loss.

	As at 1 January 2025	Cost capitalised and additions	Fair Value Adjustment	Transfer to inventory property	As at 31 December 2025
Completed investment property	2,869,886	93,045	391,247	-	3,354,178
Landed property Abuja	1,003,200	156,825	187,975	-	1,348,000
Under development investment property	8,090,000	1,634,332	-	(9,724,332)	-
	11,963,086	1,884,202	579,222	(9,724,332)	4,702,178

	As at 1 January 2024	Cost capitalised and additions	Fair Value Adjustment	Transfer to inventory property	As at 31 December 2024
Completed investment property	2,486,400	22,725	360,761	-	2,869,886
Landed property Abuja	815,400	-	187,800	-	1,003,200
Under development investment property	-	7,331,026	758,974	-	8,090,000
	3,301,800	7,353,751	1,307,535	-	11,963,086

10.1 Investment property

in thousands of Nigerian Naira	2025	2024
Corner piece Office/Banking complex at Plot 97 Adeola Odeku/ Ahmadu Bello Way, Victoria Island Lagos	3,354,178	2,869,886
9,600 square meters of land at Plot 294, Cadastral Zone B04, P.O.W Mafemi Crescent Jabi District Abuja	1,348,000	1,003,200
15,092.566 square metres of Land at Vatten View Estate, Oba Ademola Elegushi Boulevard, off Freedom Way, Lekki Scheme 1, Lagos - Orange Island	-	8,090,000
	4,702,178	11,963,086

10.2 Measurement of fair value

Investment property is stated at fair value and has been determined based using the income, comparative and depreciated replacement cost methods. The valuation was performed by Knight Frank Nigeria, Estate Surveyors & Valuers, Chartered Surveyors FRC/2013/00000000584 (Sunny Akpodiogaga - FRC/2013/PRO/NIESV/004/00000000655). They are industry specialists in valuing these types of investment properties.

The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Company has access at the date of valuation. Valuations are performed on an annual basis and the fair value gains and losses are reported in profit or loss.

The fair value measurement for the investment properties of ₦4.7 billion (2024: ₦11.96 billion) has been categorised as Level 3 based on the inputs into the valuation technique used.

10 Investment property - Continued

10.3 Investment property Valuation technique and significant unobservable inputs

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Comparison method, Depreciated Replacement Cost method and Income method of valuation were employed in determining the current market values of the properties. - In the Comparison method of valuation, the fair values are determined by applying the direct market evidence. This valuation model reflects the CURRENT Price on ACTUAL transaction for similar properties In the neighborhood In recent time. The Depreciated Replacement Cost method is based on an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization. The Income method involves estimation of the present gross annual rental value of the property, deducting therefrom annual outgoings (such as expenses on ground rents (if any), repairs, insurance and management) necessary to maintain the property in a state to continue to command such market rent and capitalizing the residue in perpetuity. References were made to prices of land and comparable properties in the neighborhood. The data obtained were analysed and adjustment was made to reflect differences in the actual location, age of the property, date of recent sales and condition of the property.	Recent selling price per sqm - Recent rental income per sqm - Condition of the property - Date of recent sale - Age of the property	The estimated fair value would increase (decrease) if: - the recent selling price increases (decreases) - the recent rental income increases (decreases) - the condition of the subject property is better/worse to comparable - the location of the property is better/worse to comparables - the age of the property is lower/higher than the comparables

Class of property	Valuation Technique	Key unobservable input	Yield	2025 Range ₦'000	2024 Range ₦'000
Corner piece Office	Income method	Rental income per sqm (2024: Price per sqm)	6%	70 - 120	70 - 120
Uncompleted residential property	Depreciated Replacement Cost method	Price per sqm	Nil	-	400 - 700
Landed property	Comparison method	Price per sqm	Nil	324 - 470	90 - 120

Notes to the Financial Statements- Continued

10 Investment property - Continued

10.4 Investment properties operating result

in thousands of Nigerian Naira	2025	2024
Rental income from investment property	117,805	57,184
Direct operating expenses (including repairs and maintenance) that did generate rental income	(9,852)	(17,172)
Profit arising from investment properties carried at fair value	**107,953**	**40,012**

The Company has no restrictions on the realisability of its investment properties and no contracting obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

11 Plant and equipment

in thousands of Nigerian Naira	Plant & Machinery	Office equipment	Fixtures & fittings	Motor vehicles	Total
Cost					
Balance as at 1 January 2024	63,461	14,091	796	8,723	**87,071**
Additions	26,040	-	-	-	**26,040**
Disposal	-	(1,443)	-	-	**(1,443)**
Balance as at 31 December 2024	89,501	12,648	796	8,723	**111,668**
Additions	10,965	-	-	-	**10,965**
Balance as at 31 December 2025	100,466	12,648	796	8,723	**122,633**
Accumulated Depreciation					
Balance as at 1 January 2024	32,982	11,281	648	3,816	**48,727**
Depreciation charge for the year	11,169	916	30	2,181	**14,296**
Disposal	-	(1,164)	-	-	**(1,164)**
Balance as at 31 December 2024	44,151	11,033	678	5,997	**61,859**
Depreciation charge for the year	15,600	644	30	2,181	**18,455**
Balance as at 31 December 2025	59,751	11,677	708	8,178	**80,314**
Carrying amount					
31 December 2025	40,715	971	88	545	42,319
31 December 2024	45,350	1,615	118	2,726	49,809

i All items of plant and equipment are non-current.
ii No leased assets are included in the above plant and equipment account (31 December 2024: Nil).
iii There was no impairment loss on any class of plant and equipment during the year (31 December 2024: Nil).
iv There was no capitalized borrowing costs related to the acquisition of plant and equipment (31 December 2024: Nil).
v None of the plant and equipment were pledged as security during the year (31 December 2024: Nil).

Notes to the Financial Statements- Continued

12 Inventory property

in thousands of Nigerian Naira	Note	2025	2024
Trading property - Orange Island		9,724,332	-
Trading property - Ikorodu	12.1	18,353	18,353
		9,742,685	**18,353**
Trading property - Impairment allowance		(18,353)	(18,353)
		9,724,332	**-**

12.1 The carrying amount of trading properties under construction includes the value of Ikorodu property which has been fully impaired due to elapsement of the title tenure which is due for renewal.

12.2 The movement in trading properties during the year was as follows:

in thousands of Nigerian Naira	Note	2025	2024
Balance at the beginning of the year		-	554,773
Cost of properties sold during the year (recognised in Cost of sales)		-	(576,423)
Transfer from investment property		9,724,332	-
Expenditure/cost capitalised		-	21,650
Balance at the end of the year		**9,724,332**	**-**
Net change for cashflow purpose		**-**	**554,773**

13 Trade and other receivables

Financial assets:			
Advance payments		44,969	93,410
Staff debtors		-	153
Other debtors		2,691	5,408
CDL Asset Management Limited	13.1	1,003,512	1,003,512
		1,051,172	1,102,483
Impairment allowance on other assets		(1,003,512)	(1,003,512)
Total financial assets		47,660	98,971
Non-financial assets:			
Prepayments		4,627	1,635
Withholding tax receivable		90,225	229,702
Total non-financial assets		**94,852**	**231,337**
Gross trade and other receivables		1,146,024	1,333,820
Less: Impairment allowance		(1,003,512)	(1,003,512)
		142,512	**330,308**

13.1 The receivable from CDL Asset Management Limited represents the outstanding balance of the Company's investment with CDL Asset Management. This has been fully impaired due to low probability of it recovery and therefore its impairment allowance is not considered a temporary difference for tax purpose.

13.2 **The movement in impairment allowance on trade and other receivables is as follows:**

in thousands of Nigerian Naira	2025	2024
Balance, beginning of year	1,003,512	1,003,512
Impairment reversal of trade debtors	-	-
Balance at the end of the year	**1,003,512**	**1,003,512**

14 Cash and short term deposits

Cash and bank balances	351,353	421,586
Short-term placements	299,739	2,485,145
	651,092	**2,906,731**

The cash and short-term deposits are subject to an insignificant risk of changes in value, hence the expected credit loss is considered insignificant.

For the purposes of the statement of cash flows, cash and cash equivalents include cash at banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts, (if any). Cash and short term deposits at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as disclosed in note 14.1.

Notes to the Financial Statements- Continued

14.1 Cash and cash equivalents

For the purpose of the statement of cash flows, the balance consist of the following:

in thousands of Nigerian Naira	2025	2024
Cash and short term deposits per statement of financial position	651,092	2,906,731
Less:		
Short term investments with maturity longer than 3 months	-	-
	651,092	2,906,731
Analysis of cash and cash equivalents		
Cash at bank	351,353	421,586
Short-term deposit with maturity not more than 3 months	299,739	2,485,145
	651,092	2,906,731

The carrying amount of these assets is approximately equal to their fair value.

Short term investments

These investments are placed in short-term deposits and are continuously rolled over throughout the year. All short-term deposits are subject to an average variable interest rate of 8% per annum (2024: 23%).

15 Interest-bearing short-term borrowing

in thousands of Nigerian Naira	Note	Effective Interest Rate	Maturity Date	2025	2024
₦150,000 short-term loan	15.1	26%	2-Oct-26	97,874	-

The short-term loan is a draw down from the ₦600 Million line of credit obtained from Union Bank of Nigeria Plc. It has a maturity period of 12 month with 90 days transaction cycle and it is secured by legal mortgage over the Company's investment property located at Plot 97, Ahmad Bellow Way, Victoria Island, Lagos State.

15.1 Movement of Interest-bearing short-term borrowing

in thousands of Nigerian Naira	Note	2025	2024
Proceeds from borrowing		150,000	-
Repayment of principal portion		(56,009)	-
Interest paid		(3,316)	-
Interest accrued		7,199	-
		97,874	-

16 Trade and other liabilities

in thousands of Nigerian Naira	Note	2025	2024
Financial liabilities:			
Accrued expenses	16.1	196,045	368,292
Due to related companies		231,327	231,403
Property creditor		113,193	1,091,824
Deposit for shares	16.2	42,133	42,133
Unclaimed dividend	16.3	87,819	199,203
Deposits for service charge	16.4	276,924	157,303
		947,441	2,090,158
VAT payable		26,735	27,792
Withholding tax payable		11,791	7,642
		38,526	35,434
		985,967	2,125,592

16.1 These relate to various expenses (Consultancy and Professional fees, audit fee) that have been accrued for.

16.2 Deposit for shares relates to previous private placements for which the details of the investors are unknown and there is no pending request for unallocated shares.

16.3 This represents unclaimed dividend that was returned to the Company by the registrar (Cardinalstone Registrars Limited).

16.4 Deposits for service charge relate deposit for maintenance of property on behalf of tenants.

Notes to the Financial Statements- Continued

17 **Contract liabilities**

in thousands of Nigerian Naira	Note	2025	2024
Deferred rental income		117,789	149,032
Deposit for properties	17.1	1,099,500	-
		1,217,289	**149,032**

17.1 The amounts included in the deposit for properties represents advances paid by customers that the entity has now recognised as revenue, following the entity's progress in satisfying the performance obligations in the contracts.

17.2 *Movement in deposit for properties*

in thousands of Nigerian Naira	Note	2025	2024
Balance at the beginning of the year		-	516,250
Deferred during the year		1,099,500	-
Released to profit or loss		-	(516,250)
Balance at the end of the year		**1,099,500**	**-**

17.3 **Set out below is the amount of revenue recognised from:**

Amounts included in deposit for properties at the beginning of the year	-	516,250

17.4 **Movement in deferred rental income**

Balance at the beginning of the year	149,032	92,843
Deferred during the year	86,562	113,373
Released to profit or loss	(117,805)	(57,184)
Balance at the end of the year	**117,789**	**149,032**

17.5 **Contract liabilities released to profit or loss**

Deferred rental income	117,805	57,184
Deposit for properties	-	516,250

18 **Taxation**

18.1 **Income tax expense**

Companies income tax	-	451,358
Tertiary education tax	-	46,563
Police trust fund	-	143
Charge for the year	-	498,064
Origination/reversal of temporary differences	601,555	134,919
	601,555	**632,983**

18.2 **Reconciliation of effective tax rate**

Profit before income tax expense	488,038	2,865,280
Tax using the Company's domestic tax rate @ 30%	146,411	859,584
Non-deductible expenses	3,601	133,283
Tax incentives	-	(14,300)
Non-taxable income	(185,581)	(392,291)
Tertiary education tax	-	46,563
Effect of increase in tax rate on deferred taxes	637,123	-
Police trust fund levy	-	143
	601,555	**632,983**
Effective tax rate	123%	22%

Notes to the Financial Statements- Continued

18.3 **Current income tax payable**

in thousands of Nigerian Naira	2025	2024
Balance at the beginning of the year	502,454	571,033
Income tax charge for the year	-	498,064
Payments during the year	(502,045)	(566,643)
Balance at the end of the year	**409**	**502,454**

19 **Deferred tax liabilities**

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

The movement in deferred tax liabilities recognised during the year is as follows:

31 December 2025	Opening balance	Recognised in profit/loss	Closing balance
Accelerated depreciation for tax purposes	10,113	571	10,684
Investment properties	336,535	619,148	955,683
Unrelieved losses	-	(18,165)	(18,165)
	346,648	**601,555**	**948,203**
31 December 2024			
Accelerated depreciation for tax purposes	8,220	1,893	10,113
Investment properties	203,509	133,026	336,535
	211,729	**134,919**	**346,648**

20 **Share Capital and Reserves**

20.1 **Issued and fully paid:**

5,626,416,051 Ordinary shares of 1 naira each	5,626,416	5,626,416

All shares rank equally. The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at meetings of the Company.

20.2 **Share premium**

Share premium	1,092,822	1,092,822

Share premium is the excess paid by shareholders over the nominal value for their shares.

21 **Basic and diluted (loss)/earnings per share (kobo)**

Basic (loss)/earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to shareholders of the Company (₦'000)	(113,517)	2,232,297
Weighted average number of ordinary shares in issue ('000)	5,626,416	5,626,416
Basic (loss)/earnings per share (kobo)	(2)	40

Diluted earnings per share

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Diluted earnings per share equals basic earnings per share as there are no dilutive potential ordinary shares in issue.

Notes to the Financial Statements- Continued

22 Particulars of Directors and Employees

in thousands of Nigerian Naira	Note	2025	2024
22.1 *Directors' remuneration*			
Fees and sitting allowances		22,908	17,273
Executive compensation		244,000	85,769
		266,908	**103,042**
22.2 *Fees and other emoluments disclosed above include amounts paid to:*			
Chairman		-	-
Highest paid director		244,000	85,769

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges were:

in thousands of Nigerian Naira	Note	2025	2024
N500,000 - N1,500,000		-	-
N1,500,000 - N2,500,000		-	-
Above 2,500,000		3	3
		3	3

22.3 *Staff numbers and costs*

The number of employees (excluding directors) who received emoluments in the following ranges were:

in thousands of Nigerian Naira	Note	2025	2024
₦500,000 - ₦1,500,000		-	-
₦1,500,000 - ₦2,500,000		-	-
₦2,500,000 and above		9	10
		9	10
Compensation for staff:			
Salaries and wages		93,581	65,978
Other staff cost		174,925	107,872
Retirement benefits: pension cost		8,464	5,491
		276,970	**179,341**

23 Related Party Disclosure

A number of transactions were entered into with related parties in the normal course of business. These include deposits, placements and property management transactions.

23.1 Parent and ultimate controlling company

Union Bank of Nigeria Plc is the parent and ultimate controlling entity of the Company.

23.2 Transactions with key management personnel

The Company's key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of UBN Property Company Plc, directly or indirectly, including any director (whether executive or non- executive). The key management personnel have been identified as the executive and non-executive directors of the Company.

Key management personnel compensation for the year comprises:

Directors' remuneration

in thousands of Nigerian Naira	2025	2024
Fees and allowances	22,908	17,273
Executive compensation	244,000	85,769
	266,908	**103,042**

Notes to the Financial Statements- Continued

23 **Related Party Disclosure - Continued**

23.3 **Other related party balances and transactions**

	in thousands of Nigerian Naira	Note	2025	2024
i	**Bank Balances**			
	Placements with Union Bank of Nigeria Plc		351,353	421,586
	Bank balances with Union Bank of Nigeria Plc		299,739	2,485,145
			651,092	2,906,731
ii	**Payables**			
	Interest-bearing short-term borrowing from Union Bank of Nigeria Plc		97,874	-
	Due to Union Bank of Nigeria Plc		231,327	231,403
			329,201	231,403
iii	**Income/expenses from/to related parties**			
	Management fee from Union Bank of Nigeria Plc		47,928	51,342
	Rental income from Union Bank of Nigeria Plc		29,520	29,520
	Interest expenses on borrowing from Union Bank of Nigeria Plc		7,199	-
	Interest income on deposits with Union Bank of Nigeria Plc		120,076	1,074,998
			204,723	1,155,860
	Bank charges to Union Bank of Nigeria Plc		3,256	25,965

24 **Cashflow Workings**

	in thousands of Nigerian Naira	2025	2024
24.1	**Changes in trade and other receivables**		
	Balance at the beginning of the year	330,308	149,836
	Changes in trade and other receivables	(187,796)	180,472
	Balance at the end of the year	142,512	330,308
24.2	**Changes in trade and other liabilities**		
	Balance at the beginning of the year	2,125,592	772,119
	Changes in trade and other payables	(1,139,625)	1,353,473
	Balance at the end of the year	985,967	2,125,592
24.3	**Changes in contract liabilities**		
	Balance at the beginning of the year	149,032	609,093
	Changes in contract liabilities	1,068,257	(460,061)
	Balance at the end of the year	1,217,289	149,032
24.4	**Interest income received**		
	Interest income from short-term deposits	120,076	1,126,210
	Accrued interest received	-	86,729
	Cashflow	120,076	1,212,939
24.5	**Short-term deposits with maturity of more than 3 months on date of origination**		
	Balance at the beginning of the year	-	8,268,075
	Accrued interest received	-	(86,729)
	Cashflow	-	8,181,346

Notes to the Financial Statements- Continued

25 Segment reporting

The chief operating decision-maker has been identified as the Board of Directors of UBN Property Company Plc. The Board reviews the Company's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The Board considers the business from an industry perspective and has identified one (1) operating segment.

26 Financial Risk Management

Introduction and overview

The Company has exposure to the following risks from financial instruments:
- Credit Risk
- Liquidity Risk
- Market Risk

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

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limit and control, and to monitor risks and adherence to limit. The risk management policies are reviewed regularly to reflect changes in the market condition and in the Company's activities.

26.1 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit from its leasing activities, trade and other receivables, investment securities and deposits with banks and other financial institutions.

The Company has no significant concentration of credit risk as money market transactions are limited to financial institutions with good credit rating. For other counterparties that are small and medium enterprises and individuals who have no formal credit rating, the Company ensures that the primary source of repayment must be from an identifiable cash flow.

A financial asset is past due and in arrears when a counterparty has failed to make a payment when contractually due and contractual obligations are in arrears.

The Company's maximum exposure to credit risk is as follows:

31 December 2025 in thousands of Nigerian Naira	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Trade and other receivables	13	1,051,172	-	(1,003,512)	47,660
Cash and short term deposits	14	651,092	-	-	651,092
		1,702,264	-	(1,003,512)	698,752
31 December 2024					
Trade and other receivables	13	1,102,483	-	(1,003,512)	98,971
Cash and short term deposits	14	2,906,731	-	-	2,906,731
		4,009,214	-	(1,003,512)	3,005,702

The Company's credit risk is concentrated in Nigeria. The Company's bank balances and short-term deposits are placed with Union Bank of Nigeria Plc.

26.2 Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either its daily operations or its financial condition. Sufficiency of liquidity is of critical importance to the company.

The Company monitors its risk to a shortage of funds by using a daily cash management process. This process considers the maturity of the assets (e.g. accounts receivable, investment securities) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding.

The following table shows the undiscounted cash flows on the Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity.

26 Financial Risk Management - Continued

26.2 Liquidity Risk - Continued

Residual contractual maturities of financial assets and liabilities

31 December 2025

in thousands of Nigerian Naira	Note	Carrying amount	Nominal amount	Less than 3 months	3-6 months	6-12 months	Above 12 months
Financial assets							
Trade and other receivables	13	47,660	47,660	47,660	-	-	-
Cash and short term deposits	14	651,092	651,092	651,092	-	-	-
		698,752	698,752	698,752	-	-	-
Financial liabilities							
Trade and other liabilities	16	947,441	947,441	947,441	-	-	-
Interest-bearing short-term borrowing	15	97,874	118,795	-	-	118,795	-
		1,045,315	1,066,236	947,441	-	-	-

31 December 2024

in thousands of Nigerian Naira	Note	Carrying amount	Nominal amount	Less than 3 months	3-6 months	6-12 months	Above 12 months
Financial assets							
Trade and other receivables	13	98,971	98,971	98,971	-	-	-
Cash and short term deposits	14	2,906,731	2,906,731	2,906,731	-	-	-
		3,005,702	3,005,702	3,005,702	-	-	-
Financial liabilities							
Trade and other liabilities	16	2,090,158	2,090,158	2,090,158	-	-	-
		2,090,158	2,090,158	2,090,158	-	-	-

26.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rate will adversely 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 the return.

i **Interest rate risk**

The Company is not exposed to interest rate risk as it only invests and borrow in fixed interest rate instruments.

ii **Exchange rate exposure**

The Company has no foreign exchange exposure as at 31 December 2025 (2024: None).

Notes to the Financial Statements- Continued

26 Financial Risk Management - Continued

26.4 Capital risk management

The 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 using a ratio of "adjusted net debt" to "total equity". For this purpose, adjusted net debt is defined as external borrowing and payables, less cash and cash equivalents. Total equity comprises all components of equity.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

in thousands of Nigerian Naira	Note	2025	2024
Interest-bearing short-term borrowing		(97,874)	-
Trade and other liabilities		(985,967)	(2,125,592)
Cash and cash equivalents		651,092	2,906,731
Adjusted net cash		(432,749)	781,139
Total equity		12,012,691	12,126,208
Adjusted net debt to equity ratio		4%	-

The Company does not have net debt in prior year, therefore the adjusted net to equity ratio was nil.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

27 Financial assets and liabilities

Accounting classification and measurement basis

The table below sets out the Company's classification of each class of financial assets and liabilities. The carrying amounts of the financial assets and liabilities is a reasonable approximation of their fair values based on their short-term nature.

31 December 2025 in thousands of Nigerian Naira	Note	Carrying Amount	At amortised cost	Fair value
Trade and other receivables	13	47,660	47,660	47,660
Cash and short term deposits	14	651,092	651,092	651,092
Interest-bearing short-term borrowing	15	97,874	97,874	97,874
Trade and other liabilities	16	947,441	947,441	947,441
31 December 2024				
Trade and other receivables	13	98,971	98,971	98,971
Cash and short term deposits	14	2,906,731	2,906,731	2,906,731
Trade and other liabilities	16	2,090,158	2,090,158	2,090,158

28 Contingent liabilities, litigation and claims

Legal Risk

This is the risk that the Company would be exposed to legal actions arising from misinterpretation of contracts and from non-application of laws and regulations in day-to-day operations. To mitigate this risk, the Company's Legal and Compliance function ensures that operations are carried out within legal and regulatory guidelines.

As at 31 December 2025, the Company is a defendant in 3 (2024:1) legal cases. The Directors having sought professional legal counsel are of the opinion that no significant liability will crystallize from this litigation.

29 Events after the reporting date

There were no subsequent events after reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2025, which have not been adequately provided for or disclosed in these financial statements.

Value Added Statement

in thousands of Nigerian Naira	**2025**	**%**	**2024**	**%**
Gross earnings	952,970	69	3,942,755	123
Bought in material and services - local	432,048	31	(748,919)	(23)
Total value added	**1,385,018**	100	**3,193,836**	100
Applied as follows:				
To pay employees				
- as salaries, wages and other benefits	276,970	20	179,341	6
To provide for government				
- as company income tax	601,555	43	632,983	19
For future				
- as depreciation of plant and equipments	18,455	1	14,296	0
- as amortisation of intangible assets	-		-	
- as deferred tax	601,555	43	134,919	4
- as profit for the year	(113,517)	-8	2,232,297	70
	1,385,018	99	**3,193,836**	99

The value-added statement represents the wealth created by the efforts of the company and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

Five-year Financial Summary

in thousands of Nigerian Naira	2025	2024	2023	2022	2021
Investment property	4,702,178	11,963,086	3,301,800	3,090,000	3,059,000
Plant and equipment	42,319	49,809	38,345	48,794	17,098
Inventory property	9,724,332	-	554,773	1,282,003	2,166,679
Trade and other receivables	142,512	330,308	149,836	44,056	23,680
Cash and short term deposits	651,092	2,906,731	8,435,113	6,880,528	5,413,417
Total assets	**15,262,433**	**15,249,934**	**12,479,867**	**11,345,381**	**10,679,874**
Deferred tax liabilities	948,203	346,648	211,729	190,857	186,850
Interest-bearing short-term borrowing	97,874	-	-	-	-
Trade and other liabilities	985,967	2,125,592	772,119	649,509	519,658
Current income tax payable	409	502,454	571,033	406,718	63,906
Contract liabilities	1,217,289	149,032	609,093	727,506	1,313,797
Total liabilities	**3,249,742**	**3,123,726**	**2,163,974**	**1,974,590**	**2,084,211**
Equity					
Share capital	5,626,416	5,626,416	5,626,416	5,626,416	5,626,416
Share premium	1,092,822	1,092,822	1,092,822	1,092,822	1,092,822
Retained earning	5,293,453	5,406,970	3,596,655	2,651,553	1,876,425
Total equity	**12,012,691**	**12,126,208**	**10,315,893**	**9,370,791**	**8,595,663**
Total liabilities and equity	**15,262,433**	**15,249,934**	**12,479,867**	**11,345,381**	**10,679,874**

Statement of Profit or Loss and Other Comprehensive Income

Operating profit	287,222	1,704,590	919,120	717,795	15,607
Profit before income tax expense	488,038	2,865,280	1,934,104	1,293,962	262,996
(Loss)/profit after income tax expense	(113,517)	2,232,297	1,367,083	887,656	191,856